

access >>>

Tomorrow  
is **SECURE**



**SPEED** **SERVICE** **SECURITY**

Access Bank Plc  
Annual Report & Accounts 2016

# CONTENTS

## 1 OVERVIEWS

Business and Financial Highlights	08
Locations and Offices	10
Chairman's Statement	12
Chief Executive's Review	15

## 2 BUSINESS REVIEW

Corporate Philosophy	20
Reports of the External Consultant	21
Commercial Banking	22
Business Banking	26
Personal Banking	30
Corporate and Investment Banking	34
Transactions Services & Settlement Banking	38
Operations and Information Technology (IT)	40
Digital Banking	42
Our People, Culture and Diversity	44
Sustainability Report	48
Risk Management	58

## 3 GOVERNANCE

The Board	88
Directors, Officers & Professional Advisors	94
Management Team	95
Directors' Report	96
Corporate Governance	102
Directors' Responsibilities	116
Report of the Statutory Audit Committee	118
Customers' Complaints Feedback	120

## 4 FINANCIAL STATEMENTS

Independent Auditor's Report	126
Statement of Comprehensive Income	132
Statement of Financial Position	133
Consolidated Statement of Changes in Equity	134
Consolidated Statement of Cash Flows	137
Notes to the Consolidated Financial Statements	168

## 5 SHAREHOLDER INFORMATION

Shareholder Engagement	276
Notice of Annual General Meeting	278
Explanatory Notes to the Proposed Resolutions	280
Capital Formation	284
e-Dividend Mandate Form	285
Shareholder Information Update Form	287
Proxy Form	289
Investor's Enquiries	291

## 6 CORPORATE INFORMATION

Branch Network and Onsite ATM Locations	296
Offsite ATM Locations	304
Subsidiaries' Addresses	311
Correspondent Banks	312

## VISION

To be the World's  
Most Respected  
African Bank



# WELCOME

## TO A SECURE TOMORROW

The future belongs to those who create it. This is why at Access Bank, innovation is in our DNA: it is what sets us apart and propels us to take the lead in product and service delivery through innovative and sustainable banking practices.

In the face of the challenging operating environment experienced in the past year, we have remained resilient, rising to become a Top 3 Nigerian financial institution and receiving global recognition for our outstanding performance across various categories.

All this has been achieved with the customer at the heart of our strategy. Keying in to consumer insights, we are constantly exploring diverse solutions that make banking and financial management simple and accessible through our expansive foray into the retail sector, with an emphasis on cheaper funding services and new ways for customers to manage their finances.

The Bank's results show that our investment in innovative solutions is paying off. Not only have we achieved our strategic imperatives, we have also maximised our strong market position and solid capital base, while leveraging on digital innovation to improve service touch points. Beyond our impressive financial results and wide array of awards, our myriad of innovative products affirms our commitment to becoming the World's Most Respected African Bank by year end 2017.

We are indeed on the brink of a new dawn in the evolution of the banking industry and in the international market at large. Access Bank is well-positioned to lead this change; armed with our tenacity, driven by an unwavering commitment to our vision, and guided by our brand promise of Speed, Service and Security. The future is indeed ours for the taking. Welcome to a secure tomorrow.



Rapid response and quick access to advice, information and products are important to all customers.

Our ability to translate effective governance and leverage employees' competence to deliver swift and appropriate responses to customers is a significant competitive advantage.



Service matters to our customers, whose expectations have risen dramatically.

Service is both a qualitative and quantitative measure: it has much to do with how customers feel and how long they have to stand in a queue.

Our customers appreciate that we treat everyone with respect and consideration.



Security is fundamental to customers. They need to be able to trust us to manage their finances responsibly. 95% of customers surveyed say that security is the most important factor in choosing to bank with us.

# BANKING MADE EASY

Dial

\*9001#

Buy Airtime  
Check Balance  
Transfer funds  
Pay Bills  
Pay Merchants

- Buy Airtime
- Check Balance
- Transfer Funds
- Pay Bills
- Pay Merchants

\*Terms and Conditions apply

**FOR MORE INFORMATION**

☎ 01-271 2005-7

✉ [contactcentre@accessbankplc.com](mailto:contactcentre@accessbankplc.com)

🌐 [www.accessbankplc.com](http://www.accessbankplc.com)



SPEED SERVICE SECURITY

# TOMORROW IS SECURE



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SPEED SERVICE SECURITY

A cityscape at dusk with a large orange circle containing the number 1 and the word OVERVIEW overlaid on it. The background shows a highway with light trails and several skyscrapers, including the Burj Khalifa.

1

# OVERVIEW



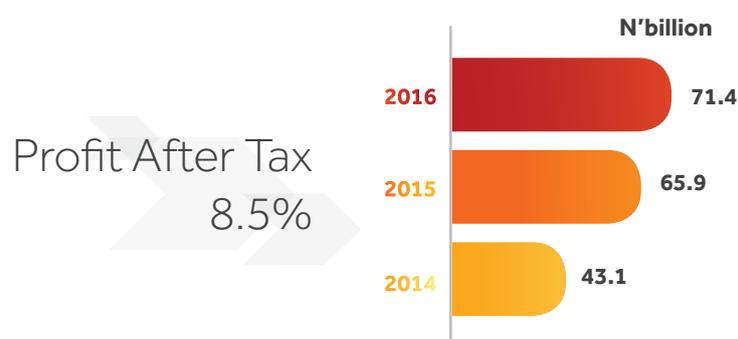
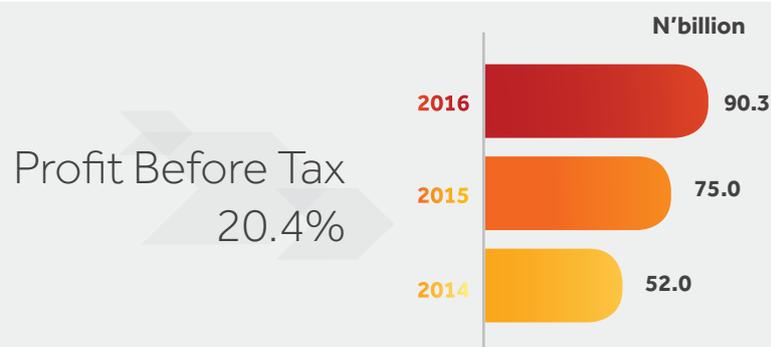
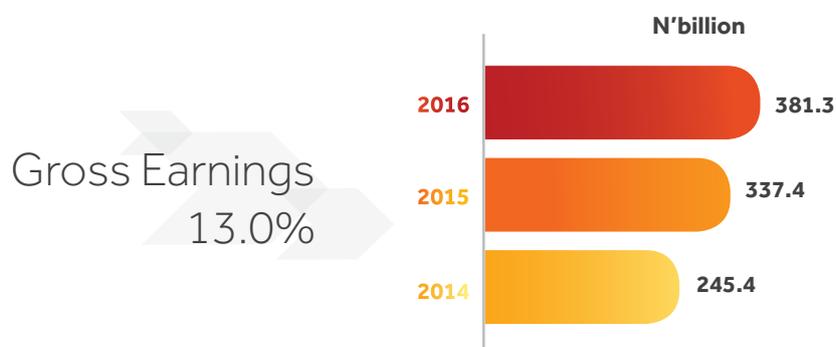
## A brief review of Access Bank's Financial and operational Achievements in the past year



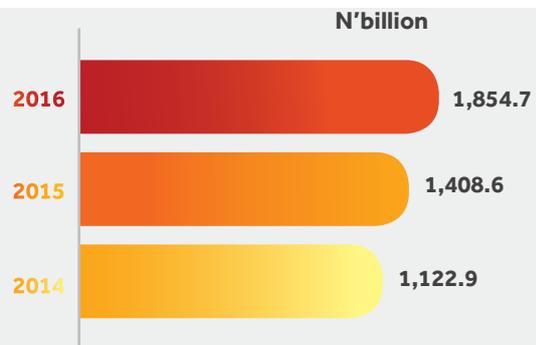
Business and Financial Highlights	08
Locations and Offices	10
Chairman's Statement	12
Chief Executive's Review	15

# BUSINESS AND FINANCIAL HIGHLIGHTS

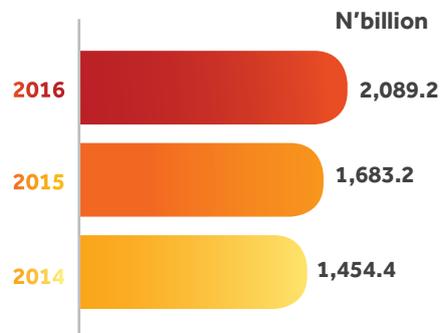
	2016	2015	2014
GROSS EARNINGS	381,320,783	337,404,230	245,383,536
PBT	90,339,456	75,038,117	52,022,290
PAT	71,439,347	65,868,773	43,063,479
CUSTOMERS' DEPOSITS	2,089,197,286	1,683,244,320	1,454,419,052
LOANS AND ADVANCES	1,854,662,174	1,408,564,741	1,122,900,100
SHAREHOLDERS' FUNDS	454,494,580	367,801,467	277,410,728
TOTAL ASSETS	3,483,865,564	2,591,330,151	2,104,360,539



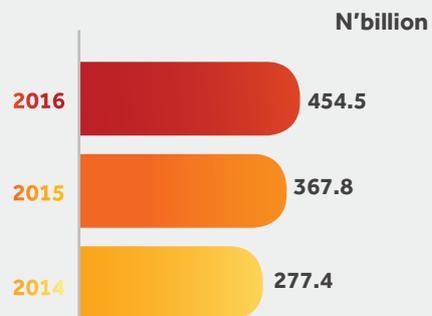
Loans & Advances  
31.7%



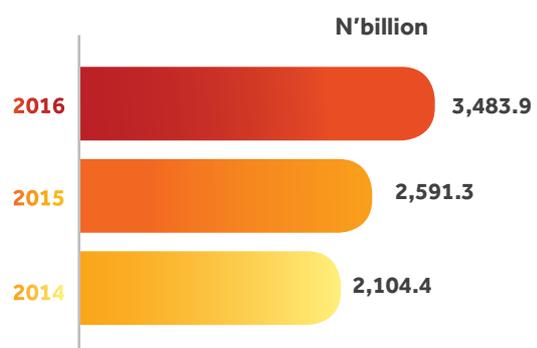
Customers' Deposits  
24.1%



Shareholders' Funds  
23.6%



Total Assets  
23.6%



# LOCATIONS AND OFFICES



## Democratic Republic of Congo

Number of Branches: 4  
Total Staff: 62



## Rwanda

Number of Branches: 7  
Total Staff: 67



## Gambia

Number of Branches: 6  
Total Staff: 38



## Sierra Leone

Number of Branches: 4  
Total Staff: 34



## Ghana

Number of Branches: 44  
Total Staff: 557



## Zambia

Number of Branches: 6  
Total Staff: 61



**We are a leading financial institution with headquarters in Nigeria, driven by strong core values through which we have continuously delivered solid and consistent performance. We are in business to help our growing customer base build a sustainable future by offering bespoke products and solutions through a skilled workforce across Sub-Saharan Africa, United Kingdom, the Middle East and Asia.**

The Bank is licensed to provide international banking services and is renowned for its comprehensive range of financial product offerings. The key business segments of the Bank are: Corporate and Investment Banking, Commercial Banking, Business Banking and Personal Banking. The key customer segments include: Telecommunications, Beverages, Manufacturing, Construction, Oil & Gas, Parastatals, High Networth Individuals and Middle Income Professionals.

We take pride in our ability to add value to clients, leveraging our unique value proposition to provide innovative and proactive solutions across entire economic value chains. In deploying products and services, the Bank adheres to responsible business practices and readily commits resources to social investments in fulfillment of its corporate social responsibility convictions.

We are located in all major commercial centres and cities across Nigeria, operates 7 subsidiaries within West Africa, East Africa and the United Kingdom. The Bank also has a business office in the Republic of China, as well as Beirut, UAE, and Mumbai.



### United Kingdom

Number of Branches: 2  
Total Staff: 108



### Beirut

Rep. Office: 1  
Total Staff: 2



### China

Rep. Office: 1  
Total Staff: 2



### Mumbai

Rep. Office: 1  
Total Staff: 1



### Nigeria

Number of Branches: 317  
Total Staff: 2965



### United Arab Emirates

Rep. Office: 1  
Total Staff: 2

# CHAIRMAN'S STATEMENT

## Dear Shareholder

2016 was a challenging year for the Nigerian economy. We continued to face an uncertain and volatile economic, political and regulatory landscape as banks sought to adapt to new regulatory requirements, changing macro-economic conditions and evolving client needs. Notwithstanding the challenging backdrop, our businesses delivered a solid performance, underscoring our strong fundamentals as well as the effective execution of our strategy.

## ECONOMIC AND POLITICAL TRENDS THAT SHAPED THE MARKETS

Globally, 2016 was characterised by heightened political and economic policy shifts in the United States (US) and the United Kingdom (UK). The decision for the UK to leave the European Union (EU) and the US election of Donald Trump signalled a new tone of isolation and protectionism, impacting migration and global trade amongst many other

concerns.

Following an early rocky start, the U.S economy gained momentum with hopes that the new administration would follow through on campaign pledges and expand at a modest pace. Gross Domestic Product (GDP) growth was revised to an annualized rate of 3.2% in the third quarter, up from 1.4% in the second quarter. Still, with sluggish global economic conditions, the U.S Federal Reserve System delayed raising the federal funds rate until December 2016.

European stocks advanced in local currency terms, supported by aggressive stimulus measures, modestly improving economic growth. However, the Brexit decision raised fears of dire economic consequences, which immediately saw the British pound fall to a 31-year low against the U.S. dollar, following Britain's vote to leave the European



Our commitment to the effective execution of our strategy ensured we delivered a solid performance thus aggregating long-term value for our shareholders.

MOSUN BELO-OLUSOGA, FCA  
CHAIRMAN



Union in 2016.

Emerging markets notched their strongest returns since 2012, on the back of strengthening commodity prices, accommodative monetary policies and reform efforts in some countries. Russian stocks rebounded amid a sharp rise in oil prices, whilst in China, stocks finished essentially flat after beginning the year with steep declines. However, fears subsided following steady GDP growth largely bolstered by government stimulus measures.

In the domestic market, Nigeria's GDP for the year contracted by -1.3% from 2.8% growth in 2015, signalling the worst year in Nigeria's economy since 1987. The recession followed a steep decline in the price of crude oil to \$43.8 per barrel in 2016 from \$52.7 per barrel in 2015 as global demand waned, thus significantly reducing foreign reserves, culminating in a weaker currency and double digit inflation of 18.6%. In June, the Central Bank of Nigeria (CBN) took the decision to liberalise the Naira, introducing a flexible exchange rate policy. This decision was, in part, a response to a widening gap between the official exchange rate and the parallel market which had seen tremendous pressure from overwhelming FX demand. Over the course of the year, the Naira depreciated in value, moving from N197 per dollar to N282 at the launch of the floating foreign exchange policy and settling at N305 on the interbank, following consistent interventions by the CBN.

### **BANKING INDUSTRY**

In 2016, the resilience of the Nigerian banking sector was again put to the test, as responsiveness and agility became key drivers of strong and sustainable performance in an increasingly unpredictable operating environment. Alongside the unavoidable currency devaluation in June, which amplified pressures on asset quality and cost of risk, banks also recorded weaker-than-expected earnings primarily due to increased lending rates and operating costs owing to the inflationary landscape. Low oil prices continued to take a toll on capital primarily due to increased provisioning and asset deterioration, particularly for banks with significant exposures to the upstream oil and gas and power sectors. While short-term access to foreign currency by businesses and individuals alike became increasingly difficult as the year progressed, the differential between the parallel and interbank marked record high. This stifled business productivity and ultimately increased the level of delinquent assets across the industry.

### **OUR RESPONSE**

The ongoing changes in the banking services industry, as well as the evolving economic and regulatory environment, forced banks to adapt their business models and examine business investments opportunities going forward. Following significant progress in recent years to anticipate these developments and proactively transform the Bank in response to the evolving operating environment, your Bank responded to the changing landscape by proactively maintaining a disciplined risk culture, thus avoiding seemingly risky exposures to the power and downstream oil and gas sectors. We explored market opportunities to support

increased business activity in key growth sectors such as agriculture and manufacturing. We leveraged our innovative and technological platforms to improve service touch points thus increasing retail market share and growing cheaper funding sources. Additionally, cost containment remained a key focus as we diligently implanted our cost reduction programmes in order to enhance operational efficiency.

### **PERFORMANCE IN 2016**

The Group delivered a resilient performance in 2016 with the overall results reflecting a strong and sustainable Bank built on solid fundamentals and the effective execution of its strategic imperatives. We reported growth across all business lines leading to total revenue of N381.3 billion and Profit Before Tax of N90 billion, representing growth of 13% and 20% respectively over the same period in 2015. Supporting this growth was a 32% y/y increase in net interest income of N139.1 billion (FY'15:N105.4 billion), demonstrating the sustainability of our core business; and non-interest growth of 3% to N133.4bn, in FY 2016 from N129.4bn in FY 2015, driven by strong increase in our fees and commissions.

Our prudent risk management kept us in good stead as the Bank maintained non-performing loans of 2.1%. Similarly, prudential ratios remained well above the regulatory limits with capital adequacy and liquidity ratios of 21% and 43.6%, respectively.

In the third quarter, the Bank successfully raised \$300 million senior unsecured notes, thus making us the first Nigerian Bank to raise dollar-denominated debt in 2016. This underscored the confidence of investors in the Bank and signalled the return of investor confidence in the otherwise bearish Nigerian market.

Additionally, the Bank was rewarded with several accolades during the year capping an otherwise inauspicious year. Our commitment to the effective execution of our strategy ensured we delivered a solid performance thus aggregating long-term value for our shareholders.

### **DIVIDEND**

The Bank has always maintained a balanced dividend payout ratio, based on a residual dividend policy. This policy is hinged on the sustainability of dividend pay-outs and capital planning. The Board has therefore considered the final dividend in the light of this policy and is proposing a dividend of 40 kobo per ordinary share, making a total of 65kobo for the year, payable to shareholders on the register as at March 13, 2017.

### **CHANGES TO THE BOARD**

The past year saw a number of changes to the Board. Mr. Oritsedere Otubu retired as Non-Executive Director of our bank following his successful completion of the maximum twelve-year term prescribed by the Central Bank of Nigeria. Undoubtedly, his dedication and immense wealth of knowledge and experience have left an indelible mark on

the Bank and he will be sorely missed.

It was also with mixed feelings that we accepted the resignation of Mr Elias Igbinakenzua, a formidable Executive Director of the Corporate Banking Division. Having served the Bank diligently for three years, he leaves the Division in a very solid position in the industry. We wish him the very best in his new ventures.

In the same year, we announced the appointment of Mr. Abba Mamman Tor. Habib as a non-Executive Director. Mr Habib was appointed to the Board in January 2016 and brings significant professional and board level experience relevant to our Bank and the financial services industry.

### **EMPOWERED EMPLOYEES**

Access Bank's unique and inclusive culture, drives the passion and dedication exhibited by people. In extremely challenging times, our employees prove that we have the leading capabilities and expertise that enable us to out-distance the competition and win in the marketplace. They remain fundamental to our success as a business. On behalf of the Board, I would like to thank all of our people

for their immense contributions to the Bank's achievements in 2016.

### **LOOKING AHEAD**

It has been a year of significant progress despite the difficult operating environment and we could only achieve it with excellent people. On behalf of the Board, I thank our Management team for its focus and tenacity in ensuring that the Bank attains its enviable position as one of the top three banks in Nigeria. We are especially thankful to our shareholders for their commitment to the continued success of the Access Bank brand.

The Board will remain focused in its pursuit of shareholder value and continue to provide the stability and strategic direction the Bank requires to deliver operational excellence in our bid to become the World's Most Respected African Bank.





# CHIEF EXECUTIVE'S REVIEW

For the Nigerian economy, 2016 was a year of extremes. The unusually volatile macroeconomic environment impacted all sectors of the economy, and the financial sector was not exempt. The business models of all banks were severely tested by the recession, but this experience validated the bold strategic choices we have made over many years. We have weathered the storm well and are emerging as one of the nation's strong banks.

The macroeconomic challenges experienced in late 2015 further deteriorated in 2016, resulting in a recession as gross domestic product contracted by 0.4 per cent and 2.1 per cent in the first and second quarters respectively. The persistent headwinds stemmed from the consistent decline in oil prices, further exacerbated by low levels of oil production; consequently impacting foreign reserves. The decline in foreign reserves and scarcity of foreign

exchange culminated in a 42 per cent devaluation of the Naira, accompanied by an increase in headline inflation reaching a double-digit high of 18.6 per cent by December 2016.

The worsening macroeconomic environment spurred various regulatory responses aimed at ensuring price stability; these responses however, resulted in a widening gap between the official and unofficial foreign exchange rates. Furthermore, regulatory policies such as the Treasury Single Account (TSA), intended to ensure greater public sector accountability and efficiency, adversely impacted liquidity increasing pressure on the asset side of the balance sheets of banks. This led to strains in asset quality in the banking industry, particularly in key sectors such as oil and gas and power, with a rippling effect on the Small and Medium-scale Enterprise (SME) and Manufacturing



Despite the challenging economy, 2016 was a year of progress for Access Bank. Many of the strategic choices we made over the years were validated when tested by the economic recession.

**HERBERT WIGWE,**  
GROUP MANAGING DIRECTOR / CEO

sectors.

Against this challenging backdrop, we focused intensely on two critical imperatives. First, we doubled down to weather the economic recession, aggressively managing credit risk and building an even stronger balance sheet. Second, we continued to position the company to compete and win in the downturn and after.

### Capital and Liquidity Buffers

Despite the challenging economy, 2016 was a year of progress for Access Bank. Many of the strategic choices we made over the years were validated when tested by the economic recession. These critical decisions included our business mix, our risk management culture, and our capital and liquidity strategies.

The strict implementation of our robust risk management framework ensured that we remained strong in terms of both local and foreign currency liquidity as well as capital adequacy. This placed us in an extremely strategic position to maximise shareholder value, even at such vulnerable times.

In line with our shareholder-approved capital plan, we further fortified our company by successfully raising \$300 million senior unsecured notes and N35 billion commercial paper (as part of a N100 billion program); strengthening our balance sheet and providing us with the flexibility to take advantage of attractive opportunities during the downturn. The success of both corporate actions in the current environment reaffirmed investor confidence in the Bank's capabilities to deliver long-term growth.

### Delivering Sustainable Performance

We delivered a resilient performance in 2016, once more demonstrating the fundamental strength of our business and the deepening impact of our strategic actions. The Group reported gross earnings of N381 billion, up 13 per cent from 2015. Profit before tax grew by 20 per cent to N90 billion from the previous year in line with our strategic growth plan. Revenue rose across all operating divisions with significant support from the retail business, posting N12 billion in profit before tax and contributing 11 per cent to Group profits. The retail business also contributed significantly to the 66 per cent growth in fee and commission income, ensuing from the increased adoption and utilisation of our e-business channels and digital offerings. The fundamentals of our wholesale business remained solid; with revenues up 9 per cent from the previous year. Our overall performance is a testament to the success that each of our lines of business had in expanding and deepening client relationships.

We grew total deposits by 36 per cent year-over-year, despite the increasingly competitive deposit market. Total deposits at year-end were N2.09 trillion, reflecting our resilient efforts at growing market share. Gross loans increased to N1.89 trillion largely on the back of the Naira devaluation and increased on-lending activities to boost key sectors of the economy. Asset quality remained stable

with non-performing loans and cost of risk ratios at 2.1 per cent and 1.2 per cent respectively. Our industry low ratios demonstrate the effectiveness of our risk management culture, prudent approach to lending and the benefit of our de-risking measures. Rigorous credit risk management remains a cornerstone of our business; we have committed key resources to improving our risk management practices and ensuring best-in-class risk management capabilities.

The fundamentals of our business remain sound, and our focus on executing our strategic initiatives continues to deliver solid financial performance. The Bank was rewarded with several prestigious national and international accolades throughout the year in recognition of our impressive performance. These awards include The Banker's Bank of the Year (Nigeria), Euromoney's Africa's Best Bank Transformation, EMEA Finance Best Bank (Nigeria), EMEA Finance Outstanding CSR of the Year (Pan-Africa) and the Karlsruhe Outstanding Business Sustainability award amongst others.

### Strategy and Growth Opportunities

Customer expectations are evolving rapidly and we are excited about the many opportunities for technology to expand choice, increase convenience and provide a consistent experience across all delivery channels. Over the years, we have focused on enhancing our technological advantage based on the conviction that innovation will remain one of the key drivers of competitiveness in the industry. Therefore, harnessing technological advancements to broaden our access, improve customer service whilst reducing the costs of service delivery are essential priorities that will ensure we remain nimble to take advantage of attractive opportunities.

With the establishment of our Digital Banking business in 2015, we launched 'Basement' - an idea generation lab to serve as a funnel for innovators to share ideas and collaborate on innovative solutions to deliver sustainable growth. Since inception, we have garnered over seven hundred ideas; several of these ideas have been implemented resulting in the enhancement of operational efficiencies. We continue to prudently invest in the right digital and technological infrastructure that result in a better customer experience, improved risk management and lower costs. These include our investments in enhanced online banking, digital and mobile capabilities, and in our next-generation branches, which incorporate technology to deliver better service more efficiently.

Furthermore, we remain extremely proud of our emphasis on sustainability and gender empowerment. We have successfully positioned ourselves as the bank of choice for women. Through our 'W' initiative, we continue to offer creative platforms for women to grow their business as well as cater to their lifestyle needs. In keeping with our objective to promote financial inclusion, I am pleased to share with you the results of our efforts which now boasts 32 per cent of our retail base as women. We will continue to tap into the immense opportunities in this segment to boost our retail franchise and achieve our objective of becoming



the number one bank for women.

### Creating a Sustainable Culture

Our 3,900+ dedicated employees have continually remained at the heart of the business. Consequently, the Bank strives to ensure employees achieve their professional goals as they help build the world's most respected African bank. We have aligned our training, reward and recognition programme to our strategic imperatives, thereby enabling a culture of diversity and collaboration of ideas. We strive to create an environment that respects the contributions of every employee and provides opportunities for their growth and development. We believe our commitment to the right values produces the desired results, thereby creating shared value for our customers and shareholders.

Our employees also participate in a shared vision of community development and harness this collective desire as a vehicle to advance social development in the communities they serve. Collectively, our employees have contributed ideas, skills and resources in our Employee Volunteering Scheme (EVS) to address social issues, whilst gaining hands-on experience and fulfilment as positive role models in the society. Through this scheme the Bank has positively impacted over 20,000 students, 10,000 children, 4,000 patients and 3,800 persons in retirement homes.

### Solid Foundations for the Future

2017 marks the end of the rolling five-year strategy implemented in 2013. Plans for the next five-year phase have begun in earnest to position the Group not only as the world's most respected African bank but also as an emerging global player.

To secure our strategic aspiration to be a high performing diversified banking leader focusing on global best practices, we consider it vital to maintain our disciplined capital position and tightened risk tolerances. Although expanding

our loan portfolio is part of our long-term growth agenda, we are committed to doing so in a thoughtful and disciplined manner. To that end, we maintain a tempered risk appetite in certain sectors and have deliberately limited loan production while focusing on growing in the right capital accretive businesses. Today, I am confident that our bank is stronger and better positioned to deliver long-term value to our shareholders.

Although the macro-economic conditions and corresponding implications on the banking industry remain uncertain; our diversified banking model, robust balance sheet and solid management team give us the strength and resilience that will keep us in good stead. By diligently executing our strategy, we will continue to maintain improved profitability and create the capacity to continue to invest in our key areas of strength. As we come to the end of our third five-year transformation journey, our top priorities in the coming year will be to:

- Cement our position as a dominant corporate bank and establish ourselves as a formidable retail player
- Leverage digital technology and innovation to create value for our customers whilst unlocking new revenue streams
- Deliver seamless and superior customer experience across all our service touch points

I am confident that achieving these goals will set the stage for the execution of our next corporate strategic plan. As we look ahead, we remain more confident than ever of our execution capabilities to achieve our vision of being the World's Most Respected African Bank.

On behalf of my colleagues here at Access Bank, I would like to thank you for your investment and commitment to the ideals of our Bank. I look forward to sharing with you the successful accomplishment of our strategic imperatives and the resultant achievements in the course of the year.



2

## BUSINESS REVIEW

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ACCESS F

THERE'S NO  
WHEN IT  
YOUR K  
THEY



## An analysis of Access Bank's 4 Business Divisions, Risk Management Framework, Our People, Culture & Diversity and Sustainability



Corporate Philisophy	20
Reports of the External Consultant	21
Commercial Banking	22
Business Banking	26
Personal Banking	30
Corporate and Investment Banking	34
Transaction Services and Settlement Banking	38
Operations and Information Technology (IT)	40
Digital Banking	42
Our People, Culture and Diversity	44
Sustainability Report	48
Risk Management	58

# CORPORATE PHILOSOPHY



## Our Core Values

### Excellence

- Surpassing ordinary standards to be the best in all that we do
- Setting the standard for what it means to be exceptional
- Our approach is not that of excellence at all costs—it is excellence on all fronts, so that we deliver outcomes that are economically, environmentally and socially responsible

### Innovation

- Pioneering new ways of doing things, new products and services, new approaches to clients/customers
- Being first, testing the waters and pushing boundaries
- Anticipating and responding quickly to market needs with the right technology, products and services to achieve customer objectives

### Leadership

- Leading by example, leading with guts
- Being first, being the best and sometimes being the only
- Challenging the status quo

### Passion for Customers

- Doing more than just delivering excellent customer service
- Helping people clearly understand how our products and services work
- Treating customers fairly. Building long-term relationships based on trust, fairness and transparency.

### Professionalism

- Putting our best foot forward in everything we do, especially in high pressure situations
- Consistently bringing the best of our knowledge and expertise to the table in all of our interactions with our stakeholders
- Setting the highest standards in our work ethic, behaviours, activities and in the way we treat our customers and, just as importantly, each other

### Empowered Employees

- Recruiting and retaining the right people and teams based on shared values and vision
- Developing our people to become world-class professionals
- Encouraging a sense of ownership at individual levels, whilst fostering team spirit and commitment to a shared vision



# REPORTS OF THE EXTERNAL CONSULTANT

DATED JANUARY 13, 2017

## SUMMARY REPORT ON CORPORATE GOVERNANCE FOR 2016 FINANCIAL YEAR

We have completed an assessment of Access Bank's corporate governance structure and practices as well as an evaluation of the Board and individual directors in line with the requirements of the Central Bank of Nigeria's Code of Corporate Governance.

As at the date of this report, the Board of Directors of Access Bank Plc is made up of six Executive and seven Non-Executive Directors. In 2016, there was one retirement and one resignation from and one appointment to the Board. The composition of the board is in line with regulatory requirement in terms of number of the Executive Directors relative to the number of Non-Executive Directors with the inclusion of Independent Directors.

In line with the requirements of the Central Bank and best practices, the Board of Directors have established and approved principles, rules, practices and processes by which the Bank is operated and governed.

Our assessment entailed the review of activities of the Board and Management during the year ended 31 December, 2016 for compliance to the Bank's Governance principles, rules, practices and processes.

We reviewed the minutes of the meetings of the Board and Board Committees meetings as well as examined documentation of Board actions and processes during the year. The Company's Memorandum and Articles of Association, Board Terms of Reference, Board papers, minutes of Board meetings, Risk Management Framework, Communication Policy and Code of Ethics were reviewed for compliance. In addition, key principal officers of the Company were interviewed with respect to the board practices.

Feedback from Executive Directors as well as Non-Executive Directors, indicate that they understand their fiduciary duties and role in providing financial oversight and enhancing shareholder value.

It is our opinion that the Board demonstrated understanding of responsibilities stated in the Central Bank of Nigeria's Code of Corporate Governance and complied with the Company's Governance arrangements and requirements of the Central Bank of Nigeria's Code of Corporate Governance.

Yours Sincerely,  
Accenture

**Toluleke Adenmosun**  
Managing Director, Financial Services

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Fax: +234 1 2707111  
www.accenture.com

## SUMMARY REPORT ON CORPORATE GOVERNANCE FOR 2016 FINANCIAL YEAR

We have completed an assessment of Access Bank's corporate governance structure and practices as well as an evaluation of the Board and individual directors in line with the requirements of the Securities and Exchange Commission of Nigeria's Code of Corporate Governance.

As at the date of this report, the Board of Directors of Access Bank Plc is made up of six Executive and seven Non-Executive Directors. In 2016, there was one retirement and one resignation from and one appointment to the Board. The composition of the board is in line with regulatory requirement in terms of number of the Executive Directors relative to the number of Non-Executive Directors with the inclusion of Independent Directors.

In line with the requirements of the Securities and Exchange Commission; Central Bank and best practices, the Board of Directors have established and approved principles, rules, practices and processes by which the Bank is operated and governed. Our assessment entailed the review of activities of the Board and management during the year ended 31 December, 2016 for compliance to the Bank's Governance principles, rules, practices and processes.

We reviewed the minutes of the meetings of the Board and Board Committees meetings as well as examined documentation of Board actions and processes during the year. The Company's Memorandum and Articles of Association, Board Terms of Reference, Board papers, minutes of Board meetings, Risk Management Framework, Communication Policy and Code of Ethics were reviewed for compliance. In addition, key principal officers of the Company were interviewed with respect to the board practices.

Feedback from Executive Directors as well as Non-Executive Directors, indicate that they understand their fiduciary duties and role in providing financial oversight and enhancing shareholder value.

It is our opinion that the Board demonstrated understanding of responsibilities stated in the Securities and Exchange Commission Code of Corporate Governance and complied with the Company's Governance arrangements and requirements of the Securities and Exchange Commission of Nigeria's Code of Corporate Governance.

Yours Sincerely,  
Accenture

**Toluleke Adenmosun**  
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## BUSINESS REVIEW

# COMMERCIAL BANKING

**The most successful businesses always think strategically in the long term, constantly scouring the horizon for challenges and opportunities alike.**

The Commercial Banking Division is the largest market-facing business and the flagship division of the Bank. Our Division supports its stakeholders with value adding tailored financial solutions and services to allow them operate efficiently and grow market share within their respective economic domains.

### **Our Business environment**

In 2016, Nigeria's GDP contracted by -1.51%, which was the first time in 25 years that our country recorded a negative GDP. This contraction was a reflection of a difficult year for Nigeria, which included a weak inflation-induced consumption demand; reduction in petroleum exports due to increased pipeline vandalism; fuel shortages and lower electricity generation and a significant reduction in foreign

reserves resulting to the weakening of our currency.

Notwithstanding the macro-economic challenges prevalent in the country in 2016, the Commercial Banking recorded significant growth evidenced by a 17% increase in Deposit Liabilities and 40% increase in Profit before Tax (PBT).

### **Our Business Model**

Our business model is centered on value creation for our stakeholders. Our focus and vision remain clear – to ensure that our clients WIN regardless of economic trends. Consequently, we deployed bespoke financial solutions for our clients. These solutions included: Financial Advisory, Trade/ Structured finance, Cash management, Tailored Lending/



Intervention schemes and Value Chain management that enhanced their business operations while addressing the concerns around foreign exchange fluctuations.

Our business model is structured to serve institutions and corporates operating within the public and private sectors of the economy with annual gross turnover between N1 billion and N10 billion stratified as follows:

- Federal, State, Local Government, Ministries, Departments and Agencies
- Asian / German Corporates
- General Commerce
- Lifestyle and Hospitality
- Contractors / Construction
- Manufacturing
- Agriculture

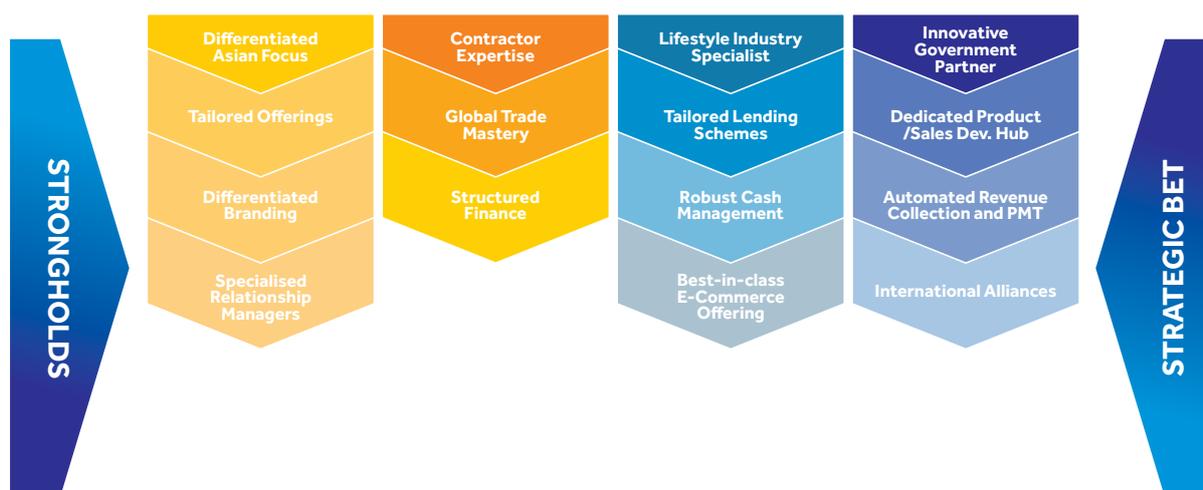
The business segments are supported by sector champions in each geo-political zone in Nigeria who have developed specialised skills to cater to the peculiar needs of both public and private sectors, thereby guaranteeing

our dominance as the preferred business partner to our clients.

In 2016, the Division leveraged on its bespoke financial solutions and the Bank's latest digital offering - Pay-WithCapture to enhance the business operations of our customers within the private sector.

In working with the public sector, we partnered with State Governments by creating specialised solutions targeted at increased efficiency in tax revenue collections, supporting strategic state infrastructural plans, salary support programs etc. Consequently, we grew our state mandate by 23% in 2016.

Agriculture, being a focal point of the Government, saw the division participate significantly across the agricultural value chain. We leveraged on the Federal Government specialised lending initiatives to accelerate the country's shift from an import based economy to one that is export oriented.



### Our People

The Division's strength has always been its people who have been significantly instrumental to its success. They embody the Bank's core values of Leadership, Excellence, Empowered Employees, Passion for Customers, Professionalism and Innovation.

We consistently retool and re-skill our staff to ensure that they adapt to the rapidly changing business landscape.

In addition, in 2016, our Middle Management Programme partnership (MMP) with Wharton Business School ensured that our business managers were equipped with required skills to fulfil our commitment to our customers. Furthermore, our Key Talent Programme constantly challenges, nurtures and refines our brightest minds, whilst equipping

them with the requisite market intelligence and exposure that makes them outstanding amongst their contemporaries.

Our people remain committed to giving back to the communities we serve, through various Corporate Social Responsibility initiatives. We have built enduring partnerships with renowned non-governmental organisations whilst working with our customers to champion capacity-building initiatives and gender empowerment programmes.

### Looking Forward

The Division, in alignment with the Bank's overall strategic intent and aspiration, aspires to rank in the top 2 position within the commercial banking business segment in the Nigerian Banking industry by 2017. We will continue to

enhance our customer centric engagement strategies; increase efficiency and flexibility in our drive to create value for our stakeholders; build competences amongst all cadres of staff within the division; deliver cutting-edge innovative solutions for our clients using an encompassing risk management framework.

We are proud of our role in helping to develop the commercial sub-sector, which is a driving force behind the Nigerian economy even in the face of challenging circumstances.

With our help, tomorrow is definitely secure.

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## BUSINESS REVIEW

# BUSINESS BANKING

**Small and Medium-sized Enterprises (SMEs) are often less equipped to deal with sudden changes and adverse factors in comparison to larger organisations. However, with a stable operating environment, investment and business confidence, the future of SMEs can be adequately secured.**

The Business Banking Division provides tailored financial products and services to Small and Medium Enterprises (SMEs) with annual financial turnover of up to N1 billion. Over the years, the Division has displayed a strong commitment to the growth and expansion of small businesses in many ways, but particularly through the provision of loan capital and unique business support solutions.

### OUR VALUE PROPOSITION

The Division is structured to add value to SME businesses across different sectors of the economy by providing products and services to suit each focus market segment, with a special bias for Women led-businesses and Asian SMEs. We serve 14 key sectors:

- Importers – Delivering superior value to our importers means providing them with products and services

which reduce their import costs and make their importation processes more efficient. Our Finance and Logistics Worldwide Scheme (FLOWS) provides an end-to-end import solution that caters for all logistics requirements, as well as meeting the financing needs of our valued customers.

- Educational Institutions – In recognition of the key role of educational institutions in shaping the future, the Facility Upgrade Support Scheme (FUSS) credit programme was created to provide short- and medium-term financing to schools for the purpose of bridging short-term funding gaps and promoting infrastructure development and asset acquisition. The Division also offers tailored products within the value chain of the Educational Sector, such as the Everyday Accounts for Teachers and personal loans for Parents in need of school fees support.



- Hospitality – SMEs in the growing hospitality sector such as hotels and restaurants are often challenged with the ever-increasing need for facility maintenance, enhancement and working capital. Our Hospitality Finance Credit Scheme is aimed at providing businesses in the hospitality sector with flexible products which satisfy their financing and advisory needs.
- Travel Agencies – The Division recognises the importance of seamless access to bank guarantees and working capital financing to the smooth operation of Travel Agencies. We are consistent in the provision of value-adding products and services which meet the needs of all SME businesses in this sector.
- Contractors – Infrastructure development in the Real Estate, Transport and Power sectors forms the fulcrum upon which Nigeria's economic activities thrive. Contractors play a vital role in the execution of infrastructure developmental projects. Over the years, we have supported the growth of Contractors in the SME space by ensuring the timely issuance of guarantees and bonds required by these growing businesses.
- Traders – We understand the credit finance needs of our customers in the Trading sector, particularly for traders within the chain of goods and services distribution. Based on this, unique products such as the Trader Credit Scheme, the Access Trade Platform and Trade sector newsletters that provide weekly economic reviews have been made available to meet specific needs for this important customer segment.
- Religious Bodies – The Division has a focus on faith-based organisations and is committed to supporting the growth of religious bodies and the well-being of their followers. In view of this, the Faith Banking Programme was introduced. This programme offers an array of banking and lifestyle solutions that will address the needs of religious organisations and their members.
- Agriculture – Agriculture plays a critical role in driving growth in the economy through job creation, as it currently accounts for about 70% of the Nigerian labour force. The Division has positioned itself as a partner to the Government in the provision for SMEs of Agricultural Intervention Funds such as the Commercial Agriculture Credit Scheme (CACS), the Agricultural Credit Guarantee Scheme Fund (ACGSF) and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL).
- Entertainment Industry – The potential for growth in the Nigerian Entertainment Industry is enormous, with the Nigerian movie industry being categorised

today as one of the top three in the world. The Division has continued to support the growth of the Nigerian Entertainment Industry by making funds available for the production and distribution of Nigerian movies.

The other key sectors we operate in are: Manufacturing, Oil & Gas (Marketing and Services), Distributors & Dealers, Professional Associations and Firms, and Healthcare.

### Products and Programmes

As partners to our SMEs, we understand that our success is tied to the individual successes of each of our customers. Therefore, our array of products and programmes is tailored to suit the specific needs of all fourteen (14) focus SME sectors. In addition to meeting the financial needs of our customers, we offer:

- Tailored Financial Advisory Services
- Capacity Building Opportunities
- Business Networking Hubs
- Timely Market Information
- Flexibility

### China Trade Loan Scheme:

With growing volumes of trade between Nigeria and China, we anticipate a growing need for credit facilities to support these trade flows. The China Trade Loan Scheme was introduced to provide SMEs with convenient time/term loans required to support the rising volume of their business operations.

### Power Breakfast Series:

The Power Breakfast Series is designed to provide capacity development solutions to SMEs in our various focus sectors. The breakfast meetings are held periodically and offer free training and workshops to business owners from the various SME sectors with a view to building their business and financial management skills.

### AccessNolly Scheme:

This is a N1billion facility which was setup to promote the growth of the Nollywood Film Industry. The loan funds are specially tailored towards Producers, Film Makers and Distributors within the industry wishing to boost the production and distribution of films of international quality and standard, but who are constrained by the lack of adequate funding.

### SME Toolkit:

In line with the Division's objective to build the capacity of its SMEs, the SME Toolkit was designed to offer a platform for small businesses to learn and implement sustainable business management practices which increase their productivity and efficiency. The toolkit portal offers information on business news, as well as industry trends and events. Our SME Toolkit also provides access to new partnerships and markets.

Our other products include the Platinum Credit Card, which provides traders with access to instant credit, and the MPower Biz Account series which offers zero COT and

competitive interest rates to our customers. We are set to continually respond to the dynamic needs of our SMEs even as we take the lead in becoming the preferred SME growth partner in the Nigerian Banking space.

### THE 2016 OPERATING ENVIRONMENT

The operating environment in 2016 proved to be a challenging one with a record 25-year low in terms of GDP growth. Banking institutions have continued to feel the impact of reducing business volumes and tightening regulations, which have posed a major challenge for increasing profitability. Despite the unfavourable business conditions, the Business Banking Division was able to deliver the much-needed support for the survival and expansion of its SMEs while delivering top-line growth for the Bank.

### 2016 HIGHLIGHTS AND ACCOMPLISHMENTS

With growing competition and rising emphasis on innovation, the Business Banking Division has continued to deliver distinct customer-centric products and services to its customers. In 2016, the Division partnered with the Government in the provision of Agricultural Intervention Fund facilities for its customers.

1	<b>Liability Growth</b>	Achieved deposit growth of 18%y/y to N243bn
2	<b>Cost of Funds</b>	Reduced cost of funds by 10%
3	<b>Assets Growth</b>	Achieved 85% y/y loan book growth
4	<b>Collections</b>	Grew average monthly POS collections by 140%

The Division also identified with the growing potential of the Nigerian Entertainment Industry with the launch of the N1 billion AccessNolly Scheme to boost productivity in the Nigerian Film Industry through effective production and distribution of Nigerian movies and the expansion and enhancement of production centres and film-making hubs.

A deliberate collection strategy was deployed in the course of the year which resulted in 100% uptime on all e-channel platforms and consequently grew the Bank's average monthly POS collections by 140% to N6bn from N2.5bn in 2015.

### A FORWARD-LOOKING APPROACH

Looking ahead, the Division is positioned to go beyond offering traditional banking services to SMEs. Our approach to growing our SME businesses and ensuring a secure tomorrow for our customers and consequently ourselves, involves leveraging our robust IT systems to provide up-to-

date capacity building, networking and information sharing opportunities to small-and medium-sized business owners. We will also maximise cross-selling opportunities across the value chain of the Bank's corporate customers. In the banking landscape of today, innovation has come to be the differentiator. The Division is set to drive innovation as a competitive advantage through the rollout of innovative, functional and relevant solutions that cater to the dynamic needs of our specific customer segments.



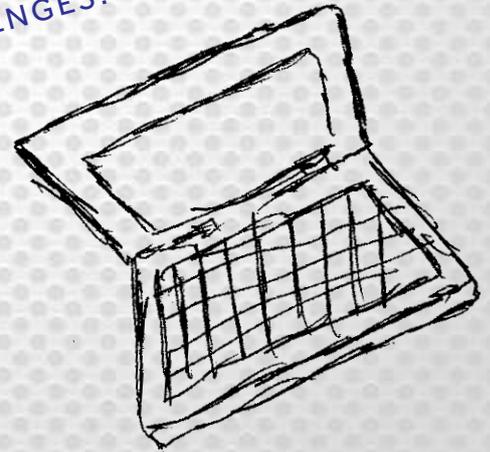
In the coming year, the Division will place special focus on certain key growth sectors, such as Export-Oriented Manufacturing, Retail, Trade and Agriculture. We aim to go a step further in providing financial advisory as well as capacity building opportunities to support the growth of these strategic sectors. The Division is also set to leverage customer data to improve the quality of its tailored offerings to SMEs as well as drive the optimisation of its value chain strategy.

Though the current macro headwinds may persist in the coming year, we are well positioned to harness the opportunities inherent in the crisis. The potential for growth in 2017 is enormous and we are confident that greater feats will be recorded in the coming year. We are positive that the present economic climate only provides yet another platform for us to win against all odds and achieve our vision of becoming The World's Most Respected African Bank.



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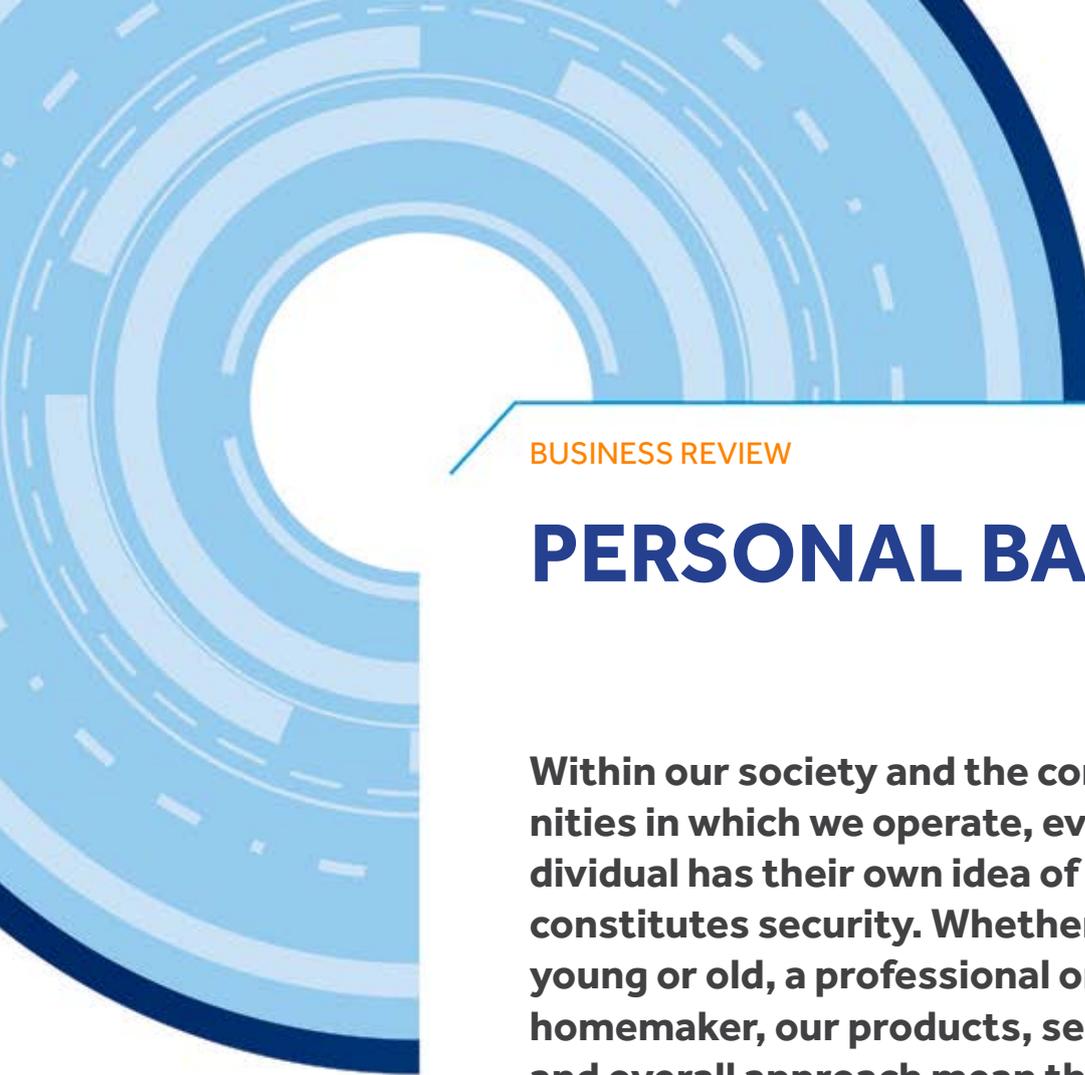
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**SPEED SERVICE SECURITY**



## BUSINESS REVIEW

# PERSONAL BANKING

**Within our society and the communities in which we operate, every individual has their own idea of what constitutes security. Whether you're young or old, a professional or a homemaker, our products, services and overall approach mean that our Personal Banking truly is personal, ensuring that whoever you might be, tomorrow is secure.**

In the Personal Banking Division, we have one guiding focus – to become a market leader in retail banking in Nigeria in 2017. To achieve this, we provide a wide range of financial and lifestyle solutions that help more than eight million customers achieve their personal, financial and lifestyle goals. Our business model is inseparably linked to changing customer needs and we continue to differentiate ourselves accordingly.

The Products and Segments Group in the Division provides an array of integrated products and services to individuals and mass affluent customers via the Personal Banking Groups, while the Private Banking Group provides wealth management solutions for Ultra High and High Net Worth customers. Our customers also rely on the specialised and objective financial advisory services available across our branch network that help them clearly understand their op-

tions, opportunities and exposures.

We continue to explore new territories and push the boundaries to ensure that even in a fragile economy, the business performs resiliently within the context of financial innovation, regulatory change, and technological revolution in a dynamic market.

In 2017, we are poised to optimise the growth opportunities that exist within the markets and communities we serve. Overall, our customers walk through life's journey knowing that they have a financial partner that is committed to ensuring their tomorrow is secure.

### Franchise

Our Franchise Group business is segmented into three units. The first provides International Money Transfer services for customer remittance needs, while Utilities and Government Revenue Collection focuses on revenue/



levies collection, and finally there's Development Banking, which manages relationships with embassies and Non-Governmental Organisations (NGOs).

There was a significant growth trend during the year; with the Group winning additional mandates in different geopolitical zones across the country. Given our reputation for quality service delivery, relationships with key state governments and institutions deepened and we were appointed lead agents for collections in more states.

Through this channel, we have continued to create valuable alliances with reputable institutions and provide unique service offerings that meet specific business objectives.

### Lending Solutions

We provide a robust bouquet of lending solutions that cater to the personal, financial and lifestyle needs of our retail customers, as well as supporting entrepreneurs to expand or plan for future success by unlocking the cash in their businesses.

These solutions range from client-centred and personalised flexible loans to a broad range of credit cards to meet the unique needs of clients, as well as ready-made loan products, including Personal Loans, Vehicle and Asset Finance, and Mortgages for acquisition of residential property.

During the year, we continued to support salaried employees and professionals with our flagship Personal Loan product offering. Through strategic collaborations with leading vehicle dealerships, we increased access to the Vehicle and Asset Finance product by providing specialised schemes for customers. In 2016, more than 20,000 customers benefited from the suite of lending propositions, technology-driven innovations and collaborations.

Innovation is at the heart of what we do, so we constantly push boundaries to drive how we engage and deliver lending solutions to our customers. In line with this, we introduced the Personal Loan top-up initiative to promote customer satisfaction and engagement.

From product innovation and leadership to technology, the landscape for our lending solutions is constantly evolving to offer our customers more convenience, flexibility, and an unequalled customer experience.

### Private Banking

Our Private Banking provides exclusive product offerings to High Net Worth individuals through innovative and sustainable banking processes. From basic banking products and services to sophisticated financing structures and programmes, we are committed to understanding the evolving needs of our clients while providing innovative solutions and unmatched personal service that ensures we repeatedly surpass their expectations.

In doing this, we apply skills and capabilities in the context

of each client's personal wealth management goals and objectives. We work with our clients to build a long term relationship based on knowledge, trust and accountability to establish a secure tomorrow.

### Products

Our need-based products and services provide solutions for personal wealth management as well as for maximising business interests. The range of sophisticated banking products and services includes: asset management, brokerage services, loans, credit cards, insurance and mortgages for exclusive properties.

### Investment Solutions

We offer a wide array of investment choices to help clients acquire wealth through investment managers. With our support, they develop a wealth strategy that will ensure they create, track, preserve and enhance their wealth. Working hand-in-hand with the treasury's expertise, we provide various structured products.

### Financial Advisory Services

Our advisory services help clients achieve their investment objectives and risk profile. In addition, we provide advice on changing market conditions and portfolio performance to enable clients to adapt quickly to market changes. Leveraging the combination of our know-how and expert experience, we consistently deliver value at all times.

### Cards

Our premium cards, specifically the VISA Black Card and VISA Platinum Card, allow our clients to access credit limits that match their status. We also provide a range of personal and travel benefits, which include concierge services, worldwide annual travel insurance and access to over 600 executive airport lounges.

The Access Black Card is available only by invitation to those who expect and need the very best. It is the ultimate in prestige. To these exclusive cardholders, it confers unlimited spending power, true convenience and all the privileges that come with a single prestigious solution.

### Products and Segments

The segment-to-serve approach of the Products and Segments Group underpins our model for banking individuals and for fostering financial inclusion. The core of our differentiation lies in our deep industry knowledge, passion for customers and desire to see them achieve their goals and objectives unhindered, while delivering superior and sustainable business results.

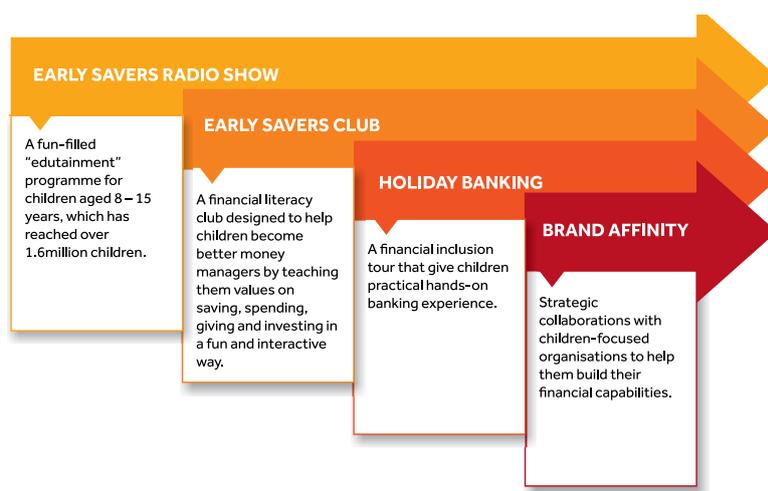
At every point of their journey to tomorrow, our offerings and initiatives match the financial and lifestyle needs of customers in our chosen segments and their respective ecosystems.

We have a strong focus on Children, Youth and Women, as well as Seniors, Employees & Affluent Professionals.

## Children Banking

Leveraging the Early Savers Product, Children Banking is focused on developing solutions that promote the early introduction of children to money management skills while integrating them in the process. A 2015 report from UNICEF showed that approximately 45% of Nigeria's population are aged 0-14 years, and with annual birth rate of 38.03 births/1,000 population, there exists a huge potential for increased market share.

The Children Banking key strategy for unlocking this poten-



tial in children is multi-pronged:

### Youth Banking

We have a strategic focus on the youth segment with the aim of providing innovative solutions through various product offerings and business collaborations that will enable them achieve their goals. In 2016, we deployed various activities and initiatives to ensure their tomorrow is secure.

### In tune with their lifestyle

This year, we revamped the online youth platform Accelerate TV and have grown its following by catering to the lifestyle needs of youths. Via entertainment, news, information and empowerment, young people are becoming endeared to the Bank because of the platform. It has become a tool for the expression of youthful and creative abilities, giving young people an opportunity to explore and maximise their potential. Accelerate TV has followers and visitors from across the World – Canada, USA and UK, amongst others.

### Strategic partnerships

We formed a partnership with the National Youth Service Corps Scheme that will not just drive financial inclusion for over 500,000 young people but also empower thousands of Nigerians with vocational skills, alleviate poverty and drive sustainable economic growth.

### Collaborations:

**(a) Employability:** We partnered with the Lagos state government on the Ready.Set.Work initiative to train 500 undergraduates from tertiary institutions in Nigeria and adequately equip them with the right skills set

to excel in the corporate and entrepreneurial world. Selected participants of the programme have also been placed on a six-month internship programme within Access Bank to offer them a hands-on work experience that will give them the competitive advantage in securing their future

### (b) Entrepreneurship:

(c) We collaborated with faith-based and other youth-focused non-governmental organisations to organise vocational skill workshops that empowered about 3,000 young people with the skills required to start businesses in the areas of fashion, photography, catering and information technology, amongst other fields.

**(d) Leadership:** In collaboration with the Bloom initiative, 40 highly intellectual teenagers were placed in a one-week leadership workshop that has empowered them to take up leadership roles in their educational systems and the community at large.

**(e) Digital Skills:** In conjunction with Intel, Airtel, Yudala and Livity Africa we were able to drive digital literacy for about 1,500 young people, including students, young entrepreneurs and graduates, helping them to leverage technology for the purpose of education and business growth.

### Women Banking

Banking for women is mainstreamed in everything we do as a business and we constantly deploy initiatives that have helped us maintain our position as the bank of choice for women in the markets and communities we serve. In recognition of our commitment to women's economic empowerment, our chairperson, Mrs Mosun Belo-Olusoga, was appointed as the first African on the Board of the Global Banking Alliance for Women (GBA).

With offerings aligned to the different stages of a woman's life and solutions that help them constantly defy the odds, our female customers know that their tomorrow is secure. Their family, career and business needs are catered to with the array of financial and lifestyle solutions that are available to them.

Over the last two years, we have stimulated the growth of women-owned enterprises with financing of up to \$15.2 million and provided funding of more than \$25.5 million to help women achieve their personal goals. The initiatives we deployed across clusters and women ecosystems contributed to a 15% growth in deposits amongst female customers in the Bank.



Referred to by experts as the banking product that delivers babies, our first of its kind Maternal Health Service Support (MHSS) has helped scores of women complete their families and access quality healthcare by financing medical and fertility treatments for women amongst others. Through successful IVF procedures and natal support, 30 babies have been born to families nationwide.

Driven by our passion for improved maternal health, we developed partnerships with fertility clinics and health bodies nationwide to:

- Reach thousands of expectant and nursing mothers with financial literacy training and information on maternal health while also distributing 3,000 birthing kits to midwives and expectant mothers.
- Improve the skills of 2,500 medical professionals by supporting medical seminars and workshops for the advancement of Assisted Reproductive Technology in Africa, in partnership with AFRH (Association for Fertility and Reproductive Health) and SOGON (Society of Gynaecology and Obstetrics of Nigeria).

To address the gender financing gap that exists in our markets and communities, the W Academy introduced a unique workshop for women themed 'Demystifying Bank Loans'. The programme reached hundreds of women with information on the steps required to access financing, as well as the various financing options and intervention funds available to them.

In addition, more than 600 women-owned businesses benefited from the W Academy's 'Womenpreneur Business Workshop'; a certified programme for start-up and growing women enterprises delivered by the prestigious Enterprise Development Centre (EDC). Female entrepreneurs learnt how to navigate the fragile economy that characterised the year and optimise business operations for a sustainable future.

In the course of the year, we participated in 61 women-focused events that reached 21,561 women. We also hosted seven capacity-building and networking sessions for 1,984 women.

To encourage the savings habit, we implemented the second season of our flagship gender-based savings promotion 'Women! Let's Save' in six states across the six geo-political zones in Nigeria (Ekiti, Kaduna, Kano, Abuja, Rivers and Ondo). More than 38,000 women, including 12,000 new female customers, participated in the promotion, with accumulated savings totalling \$10 million. Winners for the grand prizes and runners-up prizes emerged from a draw, which was held on September 22nd, 2016. The primary objective of the promotion was to reward a culture of saving, recognising women who demonstrated the discipline to save over a defined period consistently.

The activities of the W community spread through Sub-Saharan Africa and across the web to social media platforms

during the year. More than two million female customers and women around the world had access to the educational and informative articles, information on capacity building and networking events, as well as timely updates on developments that affect their personal and family lives, careers and businesses. Several women had reasons for repeat visits to the website and for extending invitations to their friends.

### Seniors

The value propositions under the Evergreen product have continued to be a delight among the older generation. We are driven by a commitment to make their grey days enjoyable with our offering of free banking services and ensuring priority service at all interface points.

In the course of the year, we participated in several senior-focused events that reached more than 5,000 people. We also joined the world to celebrate seniors during the World Elders Day and hosted pensioners across South Western Nigeria. The Bank fosters relevant alliances with organisations of common interest and, in 2017, we will be revealing our first class set of dedicated Seniors' Lounges in select locations.

### Employees & Affluent Professionals

In pursuit of our drive to ensure employees secure their tomorrow, we offer bespoke financial and advisory services through the Everyday Banking Product. We are intent on helping affluent professionals and the employees of Corporates and SMEs to optimise their active and productive days. We have also streamlined our business model to better serve this class of customers.

In the first 15 months of revamping the offerings for this segment, we have achieved greater awareness in the target market, as well as an improved business performance.

We invested \$26m to provide 6,374 employees with financing required for the actualisation of their personal and lifestyle goals. An additional 850 businesses and 120,000 employees in Nigeria have trusted us to provide a secure financial future by making the switch to the Everyday Banking Product.



## BUSINESS REVIEW

# CORPORATE AND INVESTMENT BANKING

**The Corporate and Investment Banking Division is focused on providing financing solutions for companies with a minimum turnover of N10 billion in key sectors of the economy.**

Our clients are highly diversified multinational companies, local corporates and financial institutions occupying primal positions in the Nigerian economy. Our services are therefore offered along four distinct industry lines namely Oil & Gas, Large Conglomerates, Infrastructure and Financial Institutions, as well as a Treasury Team that provides innovative solutions that cut across funding, foreign exchange, liquidity, investment, hedging and other risk management needs.

We present herewith a highlight of the various Strategic Business Units (SBUs) within the Corporate and Investment Banking Division, as well as our key accomplishments over the last twelve months.

### **Oil & Gas Group**

As part of the long term strategic objective of our Oil &

Gas Group, we operate as an integrated one-stop Energy desk that provides customized financial products and services to the oil and gas industry.

Over the years, the Bank has entrenched itself as a market leader in the financing of energy projects through provision of innovative funding solutions to players in the upstream, midstream and downstream sectors. This is predicated on the bank's resolve to lead industry development and support Nigeria's fast growing indigenous energy sector particularly the upstream sector because of its attendant impact on economic development. This has seen us pioneer industry divestment funding and acquisition of interest in choice assets in excess of US\$1.0bn leading to significant wealth creation for the indigenous players. We have pioneered industry local content contractor finance schemes for oil multinationals in the sum of US\$5.0billion



and assumed lead role in industry equipment finance and infrastructure development.

Our Upstream Oil & Gas Desk has successfully positioned itself to become a benchmark for the provision of value to major players and stakeholders in the Nigerian Upstream oil and gas industry through a system of continuous customer engagement iterations leading to identification of need areas and deployment of appropriate solutions to meet these needs across the entire value chain of key industry stakeholders.

Our Downstream Oil & Gas desk is at the forefront of providing trade finance instruments and advisory services for companies involved in all segments of the Downstream Oil & Gas Value chain. Our team have consistently maintained pole position in leading a number of industry defining activities and initiatives that have redefined the market and restored confidence in the trade finance dynamics for petroleum product imports. This includes providing strategic advisory towards the creation of sovereign debt notes, foreign exchange forwards options and special market intervention funds towards the seamless financing of petroleum products to ensure continued product supply. Our creative genius towards the development of master letter of credit for large scale imports in excess of US\$1.5 billion in lines have resulted in a disruptive industry game changing innovative product going into the future.

Our midstream desk has in recent times taken giant strides in leading development of strategic industry infrastructure creating a market shift through providing the much needed funding support for the first private refinery initiative in country as well as other modular refineries springing up to support local refining capacity in-country. This is in furtherance of its continued support for pipeline and gas infrastructure to meet the industry's domestic market infrastructure needs. Our clientele base span across local and international alliances and partnerships to which we provide specialized banking services, treasury derivative products and high yield investment instruments. Overall, our core operations embed the ethos of sustainability and we operate in line with global best practices to achieve sustainable economic growth that is profitable, environmentally responsible and socially relevant.

### Large Conglomerates Group

The Large Conglomerates Group focuses on companies operating in the Cement & Construction, Food and Beverages and Personal Care sectors. These companies account for over 80% of the manufacturing sectors' Gross Domestic Product (GDP), and have truly shown dynamism in the global business space, spanning across various countries and continents. Based on their unique position in Nigeria's economy, we offer bespoke services that are uniquely designed to enhance the economic impact of these companies in Nigeria, whilst transcending global boundaries. We therefore blazed the trail in the customization of trade finance solutions that enabled our clients address significant constraints in the Foreign Exchange (FX) market, contracting FX forward contracts in excess of \$1

billion during the year. Through these efforts we supported our clients' demand for uninterrupted foreign exchange resources, thereby ensuring that the manufacturing capacity of the local economy is not adversely impacted by a dearth of Foreign Exchange (FX).

Through our long standing partnership with the largest cement manufacturer in Nigeria, we were also at the forefront of the transformation of the cement industry, from being a net importer of cement into a net exporter. These and other solutions have continued to endear us to new players, thereby significantly improving our clientele base alongside enhancing our market share on existing relationships.

### Infrastructure Group

The Infrastructure Group has responsibility for driving the Bank's vision to champion the development of the country's infrastructure and close the significant gaps that exist in three main sectors: Power, Transport and Telecommunications. In 2016, we offered a wide-range of financial advisory solutions for players in the Power Sector. We worked with players in the private sector as well as state governments to find a solution to the pervasive lack of adequate electricity across Nigeria. This commitment led to the Bank's nomination as the only Bank in the "Light-Up Lagos Technical Committee". The solution which significantly de-risked financing of power generation, transmission and distribution will see a transformation in Lagos that will lead to power sufficiency in a couple of years.

In 2016, our transport Sector secured the mandates to act as the Financial Adviser and Fund Arrangers on Oshodi Interchange Development project as well as the 4th Mainland Bridge Projects in Lagos. We will continue to focus on the development of transport infrastructure through our collaboration with partner Development Agencies, by providing financial solutions that will lead, not only to the improvement in the network of roads and aviation sector, but also a growth in alternative transportation through railways and our waterways.

In 2016, we continued to leverage our strong understanding of the ecosystem in the Telecommunications Sector. This ensured we remained the dominant player in this sector. We have built strategic partnerships with key Mobile Network Operators, their Trade Partners/Dealers, Key Vendors and their Original Equipment Manufacturers over the years and their entire value chain. We offer our clients our in-depth analysis of trends and developments in the sector. Our robust bouquet of products & services are tailored-made to suit the peculiar banking needs of players in the sector even as we continue to support financial inclusion through the value chain focus.

In addition to the \$1 billion committed to these three key sectors at the close of 2016, the Bank will continue to deploy resources to these sectors as it is our firm belief that these sectors will remain key drivers of economic transformation in Africa in the foreseeable future.

### Financial Institutions Group

Our Financial Institutions Group (FIG) is structured to provide specialized services to the Nigerian Financial Services sector, which remains vital to the growth and development of the Nigerian economy. The group offers clients the full spectrum of both traditional and non-traditional products and services that cut across financing, advisory, correspondent banking & settlement, transaction services amongst others to the financial services industry players in Nigeria. In this group, we leverage on the Bank's expansive coverage, reputation, market leadership position and robust technology infrastructure base to provide innovative business solutions to our clients which covers International and Local Banks, Insurance Companies, Asset Management Firms, Pension Fund Administrators (PFAs), Registrars, Capital Market Operators and others. With a background supported by strong business interlock with other Groups in the Bank, our vision is to be the Financial Institution Group of reference in Africa by providing our clients with services and delivery of appropriate products that anticipates their business needs.

### Treasury Group

Our Treasury team deploys technology-based solutions aimed at satisfying the diverse needs of our clients, both in the Foreign Exchange and Fixed Income markets. Leveraging on the Bank's channel platforms, we provide our customers access to our experienced dealers, who are renowned as market leaders.

Our hedging solutions include Foreign Exchange spot, Forwards, OTC futures, Swaps, and other innovative products that offer our clients stability and risk mitigation to ensure a thriving business.

This ability to provide clients with an efficient hedging

structure is solidly backed by a strong track record as we are playing a pivotal role in the development of the derivatives market in Nigeria, having executed over 25% of the total derivatives traded in the Nigerian financial market in 2016. Our online, executable quotes currency trading platform still remains relevant in ensuring a far-reaching and more sustainable impact on the foreign exchange trading landscape.

With experience in fixed income products structured to generate liquidity without losing exposure to underlying assets, our expertise cuts across tailor made or standardised combination of traditional banking products which are targeted at optimisation of balance sheet management

Indeed, Access Bank has carved a niche for itself, where we provide best-in-class service via prime brokerage, sale and repurchase agreements (REPO) and other yield-enhancing products for both local and foreign currency assets. We continue to push the frontiers of market development of offering possibilities that have redefined the whole spectrum of transaction negotiation, initiation and execution.

Our lofty contributions have also been recognised by the Debt Management Office as Access Bank emerged as the most outstanding Primary Dealer Market Maker for Federal Government of Nigeria Bonds in the course of 2016, both in the primary and secondary markets.

In recognition of our dominance in the market, Access Bank has been ranked number 1 in the FMDQ League tables in terms of volumes traded on the Fixed Income and Foreign Exchange market.

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**SECURE**  
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## BUSINESS REVIEW

# TRANSACTION SERVICES AND SETTLEMENT BANKING

**2016 was a very significant year for the Bank's Transaction Banking Business, proving, in a literal sense, that day-to-day banking is secure, and thereby demonstrating the validity of our theme of ensuring in a broader sense that tomorrow is secure.**

Our focus was to further stabilise our transaction platforms following a major application upgrade in 2015 to deepen channels adoption and to optimise our transaction revenue. On these fronts, the Bank achieved remarkable success, driven by execution efficiency and our ability to take full advantage of emergent opportunities in the operating environment.

The devaluation of the Naira and the resultant consumer response impacted positively on increased electronic banking transaction volumes and values. We also noted a major shift in customer channel preferences towards mobile, helped by the lowering cost of data and cheaper smart devices.

In the course of the year, the Bank achieved over 100% growth in mobile banking adoption and over 200% growth in mobile banking transaction volumes. Similarly, the Bank's cards portfolio grew by over one million cards. Accordingly, we recorded over 130% growth in transaction banking revenue, coming mostly from card business and mobile products. This growth was achieved through a seamless execution of a bank-wide channels migration campaign, introduction of new products and optimisation of the enabling infrastructure.

In keeping with the Bank's focus on retail banking, we continued to expand our ATM footprints across Nigeria. At the end of 2016, the Bank's ATM portfolio had grown to about 1,600 ATMs, with about 24% of these ATMs located



outside the Bank's branches. As a result of this we now have the largest number of offsite ATMs in Nigeria, serving about a million customers monthly. Our focus on ATM efficiency and strategic deployments ensured that the Bank maintained the highest profitability per ATM across the industry.

Through the execution of our financial inclusion initiatives, we achieved very significant milestones in our Mobile Money business, leading to over 300% growth in transaction volumes. As a result of our collaborations and strategic partnerships with multi-lateral institutions and donor agencies such as the World Food Programme and Oxfam, we are now using AccessMoney to support displaced persons in difficult-to-reach areas of North-East Nigeria.

The impressive growth achieved across our various channels was made possible through the improvements in the

stability of our supporting technology platforms. Across the board, the efficiency rating on our channels' platforms improved from about 80% in 2015 to over 93% in 2016. With the sustained improvement efforts, we are now set to attain our efficiency benchmark of 98.5% in 2017, thereby demonstrating that tomorrow is, indeed, secure.

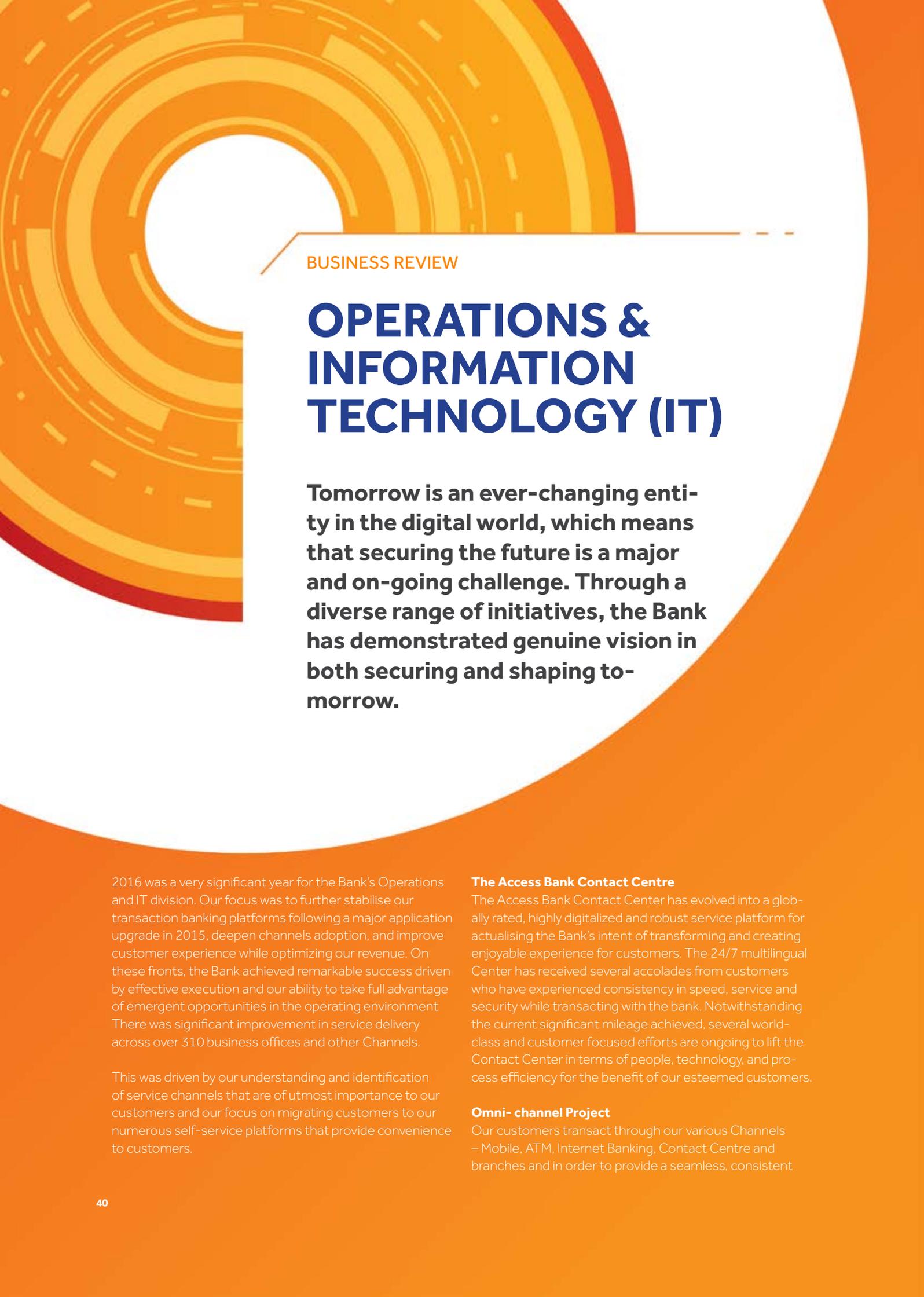
## SETTLEMENT BANKING

**Settlement Banking plays a key role in ensuring tomorrow is secure, as it is responsible for ensuring the Bank's channels and payment systems are operational, secure and optimised to provide customers with an experience that underscores speed, service and security in all their banking transactions.**

It serves as the engine room of the Bank as it looks after domestic payment services and centralised processing. This includes a wide array of back office functions designed to ensure customers get the very best service in terms of local currency payment solutions which are second to none in the African financial market.

The goal in 2016 was to ensure the Bank's franchise remained intact despite the harsh economic conditions prevailing in most markets in which we operate, as well as the conversion of these opportunities in order to remain profitable. To ensure that these opportunities are maximised, the Bank seeks to take the leading product and service delivery through innovative and sustainable banking processes. Leveraging a robust core banking application and state-of-the-art IT infrastructure, we were able to go beyond the ordinary to deliver exceptional services to our customers in various target markets. This has also ensured improved accessibility and convenience of use of our payment and settlement services.

With our team of dedicated staff who continually challenge themselves to innovate in their specific roles, we will draw on their creativity and usage of world-class settlement applications to deliver an enjoyable customer experience. As we advance towards our goal of becoming The World's Most Respected African Bank in 2017, we will continually re-assure our valued customers of the security and efficiency of our payment solutions and platforms, which are in line with global best practice.



## BUSINESS REVIEW

# OPERATIONS & INFORMATION TECHNOLOGY (IT)

**Tomorrow is an ever-changing entity in the digital world, which means that securing the future is a major and on-going challenge. Through a diverse range of initiatives, the Bank has demonstrated genuine vision in both securing and shaping tomorrow.**

2016 was a very significant year for the Bank's Operations and IT division. Our focus was to further stabilise our transaction banking platforms following a major application upgrade in 2015, deepen channels adoption, and improve customer experience while optimizing our revenue. On these fronts, the Bank achieved remarkable success driven by effective execution and our ability to take full advantage of emergent opportunities in the operating environment. There was significant improvement in service delivery across over 310 business offices and other Channels.

This was driven by our understanding and identification of service channels that are of utmost importance to our customers and our focus on migrating customers to our numerous self-service platforms that provide convenience to customers.

### **The Access Bank Contact Centre**

The Access Bank Contact Center has evolved into a globally rated, highly digitalized and robust service platform for actualising the Bank's intent of transforming and creating enjoyable experience for customers. The 24/7 multilingual Center has received several accolades from customers who have experienced consistency in speed, service and security while transacting with the bank. Notwithstanding the current significant mileage achieved, several world-class and customer focused efforts are ongoing to lift the Contact Center in terms of people, technology, and process efficiency for the benefit of our esteemed customers.

### **Omni- channel Project**

Our customers transact through our various Channels – Mobile, ATM, Internet Banking, Contact Centre and branches and in order to provide a seamless, consistent



and integrated banking experience, we embarked on the implementation of an Omni- Channel platform. This project when completed in 2017 will provide our customers with an all-in-one dependable self-service experience.

### Branch of the future

In line with our vision to be the “World’s Most Respected African Bank”, the Bank commissioned World Class architects to come up with the ideal 21st century bank branch design. The roll out of these world class branches will start in 2017. These branches will provide our esteemed customers with a world class banking experience.



ing drive in alignment with overall business objectives as we drove major improvements in the performance of our channel platforms and technology Infrastructure.

Furthermore, we embarked on various innovative projects and initiatives during the year in spite of the challenging macro-economic environment. We believe these initiatives will allow us achieve our short term and long term strategic objectives. In 2016, the group focused on stabilising our operations, implementing key projects to grow the Bank and laying a solid foundation for our digital banking and Finntech strategies. We continue to drive reliability and

high performance across our customer touch points and in the last one year, we witnessed a significant increase in the performance of our platforms. This has not only improved the customer experience but has also increased the profitability of our platforms.

In alignment with the Bank’s five (5) year strategy, an Enterprise Architecture blueprint was developed in 2016 and is being implemented to strengthen the capabilities of Information Technology to drive our business. We have also commenced the implementation of an Enterprise Service Bus (ESB) to reduce the cost of point-to-point integration for our application portfolio and position us to get to the market more efficiently. In order to reduce server footprint, drive down infrastructure cost and improve the Disaster Recovery capabilities of the Bank, we also implemented a Server Virtualization project. The virtualised environment will increase infrastructure performance, ensure business continuity and enable rapid deployment of solution to production.

### Improved Channels performance

In the course of the year, the Channels group delivered over 100% growth in mobile banking adoption and over 200% growth in mobile banking transaction volumes. Similarly, the Bank’s cards portfolio grew by over 1 million cards. Transaction revenue grew by 130% coming mostly from the Card Business and Mobility products. The Bank’s ATM portfolio grew 24% from 1,260 to 1,564 ATMs. As a result of this, we now have the largest number of offsite ATMs in Nigeria with over 6 million transactions monthly. Across board, the efficiency rating on our channels platforms improved from about 80% in 2015 to over 95% in 2016.

### Information Technology

The Information Technology (IT) Group, of Access Bank is “securing tomorrow” with cutting edge technology solutions that guarantee convenient, high performance, sustainable banking services to our customers around the globe. In 2016, we laid the foundation for our digital bank-

As part of our commitment to safeguarding our Information Technology assets, we optimised our security processes and infrastructure during the course of the 2016 enabling us to achieve recertification in the following industry security and business continuity standards:

1. Payment Card Industry-Data Security Standard (PCI DSS) recertification - The industry standard for card and payment security.
2. ISO27001 and ISO22301 recertification: The standards for Information Security and Business Continuity Management.

2017 will see the division continue to Innovate to Create ‘WOW’ experiences for all her stakeholders in branches across the Bank in the actualisation of our vision “To be the World’s Most Respected African Bank”



## BUSINESS REVIEW

# DIGITAL BANKING

**Access Bank has shown leadership in its digital offering, the most prominent being our PayWithCapture solution, the first of its kind in Africa.**

Access Bank has responded positively and proactively to the disruptive emergence and proliferation of Financial Technology companies (Fintechs). The existential threat posed by Fintechs to the global banking establishment has proven to be one of the core challenges confronting the banking industry.

By embracing the changes as early as 2015 and building a solid framework for harnessing both the internally generated and externally sourced innovations in Fintech, Access Bank has demonstrated leadership and positioned itself as one of the leaders of the digital and fintech revolution. The Bank's approach is three-fold:

Firstly, the Bank has accelerated the rate of systematic automation and digitisation of existing customer-facing processes; simultaneously broadening and deepening re-

lationships with customers while attracting new prospects. The introduction of our mass market solution \*901# banking using the Unstructured Supplementary Service Data (USSD) protocol enables a wide variety of transactions on any phone (including cheap feature phones) even in the absence of internet connectivity.

Critical to the success of \*901# is its deep integration and interoperability with the Bank's existing portfolio products such as PayWithCapture.

Secondly, the Bank's portfolio of digital products creates new value for customers and delivers a superior user experience. Products such as PayDayLoans for assessing and delivering rapid loans to specifically vetted salary account holders as well as PayMe.NG, an ecommerce link which provides emerging businesses with the capability to receive money in the manner of a fully established e-commerce merchant are examples of products which create



value for users.

These new digital products augment and complement our digital flagship product, the pioneering PayWithCapture payment solution. PayWithCapture was launched as convergent payment system that aggregates Quick Response (QR) code payment, NFC-Beacon and all existing payment instruments like MasterCard, VISA, Bank Accounts and Mobile Money Wallets into one application.

The solution delivers these merchant and consumer benefits at a fraction of the cost to the Bank of POS systems for merchants as QR-codes are much simpler to acquire, deploy, operate and support.

Our PayWithcapture solution experienced a rapid adoption and growth in 2016, with over forty thousand merchants signed up and growth in transactions processed through the platform in excess of 2,000% as compared with 2015.

Finally, the culture of innovation within the Bank has been actualized, nurtured and mainstreamed through the introduction of The Basement - a forum and a system for employees to create, share, rate and comment on and implement innovative ideas and The Africa Fintech Foundry (AFF), which is the Bank's specific strategic response to the challenges posed by the emergence of Fintechs.

While The Basement surfaces innovation within the Bank, The AFF initiative harnesses innovation in the global technology ecosystem at large, delivering curated innovation from multiple feeder programme including the Bank's own Basement.

The AFF has already begun to transform internally generated ideas from Basement into operational commercial initiatives. It also manages the integration of external partner opportunities and has produced 2 ongoing digital projects - a Geospatial solution aimed at gathering and analysing existing merchant information for better decision making and a Personal Financial Management tool designed to help mass affluent individuals have better control over their finances using predictive, analytic and big data to present them with credible financial choices. Both solutions add value to the Bank by creating avenues for revenue generation and increasing customer satisfaction.

The AFF mission to build the most sought-after, most selective, and most successful technology business incubator/accelerator by valuation in Nigeria will also see the initiative embrace external participants in a series of events such as coding contests, pitch days, and conferences as well as an application process designed to attract the most talented and ambitious technology entrepreneurs. Participants accepted into the accelerator programme are exposed to opportunities to receive funding, mentorship, networking opportunities, access to markets and work space amongst others to aid development of their

solutions.

FinTech in Nigeria plays a critical role as both a disruptor of the status quo and a potential solver of the traditional problems of Nigerian financial institutions - low level financial inclusion, scarce credit history and cash-driven transaction mentality. Access Bank's close collaboration with the Fintech community through The AFF initiative places it at the epicenter of the discussion and in a prime position to steer the solutions towards objectives that align with the Bank's strategic direction.

The realisation of the Bank's Finnotech journey, in 2017 will culminate in the combination of digitised processes, compelling digital products and a clear and pragmatic approach to harnessing Fintech innovation which is entirely unique in the Nigerian banking industry. Our approach to the challenge of Fintech disruption is both timely and balanced.

# OUR PEOPLE, CULTURE AND DIVERSITY

One of our strengths as a Bank is our people who play a significant role in our successes. They are crucial to the attainment of our aspiration in 2017 and beyond. Our work environment fosters a culture of Excellence, Professionalism, Innovation, Leadership, Ethics and Passion for Customers. In our quest for excellence, it is pertinent that we ensure that as the Bank's aspirations are met, our employees' careers and personal aspirations are met as well.

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## Employee Engagement Access Games (T.A.G 2016)

In 2016, we launched the maiden edition of the Access Games (T.A.G.), to create an inclusive work environment and an opportunity for employees to network and enhance cross functional team dynamics. It also was a tool to promote employee wellness. Employees were grouped into five houses; Ruby, Diamond, Onyx, Sapphire and Emerald. The 2016 edition was won by Emerald House.





### Employee Health, Fitness and Wellbeing

In 2016, the Bank commenced extensive wellness programmes that were designed to encourage employees to be in control of their health while having fun at it. These include health lectures that addressed important critical health topics (e.g. cancer, HIV, healthy eating habits, physical exercise etc.), emotional wellbeing programmes, and comprehensive health status screening.

### 2016 Health Week

The Bank, in partnership with Access Women Network (AWN) organised a Health Week for staff where medical experts were invited to give lectures to employees on critical health topics. Opportunities were created for employees to have access to free health screenings and counselling during the Week.



### Workforce Diversity

#### Gender Inclusion

45% of our workforce are women who cut across all job levels inclusive of top management. Women make up 33% of the Board of Directors. The Bank's workforce diversity is key to our growth and enduring future while continually encouraging diversity and inclusion in the Bank. The Bank encourages women empowerment and supports their professional goals and aspirations.

#### Empowering our Women for Tomorrow

In 2016, we introduced a series of Women Empowerment Programmes through the Access Women Network (AWN) that focused on building the capability of women in the Bank. Some of these career development programmes were delivered as career talks by senior executives, subject matter experts and other guest speakers.

The Women Empowerment Programmes were also designed to improve personal finance management as well as effective management of personal and family health.



### The Access Women Network Blog

An internal blogging site was created to connect with women across the Bank and provide resources (articles, videos, pictures etc.) to help them develop their capabilities in career development, finance, health, fitness, social responsibility and fashion.

### Women Helping Women Initiative

In a bid to positively impact the community, the Access Women Network organised a Walkathon in support of Genesis House (a non-governmental organization that caters to disadvantaged girls and young women of Nigeria, especially victims of human trafficking, abuse and addiction). The Walkathon had about 3,000 participants with over N40 million in cash raised through the support of corporate and individual donors to further the cause.



### Employees with Disabilities (EwD)

As an equal opportunity employer, we ensure that applications for employment by persons with disabilities are given utmost consideration. In the event that current staff members become physically challenged, we make every effort to ensure that their employment with the Bank continues.

# Say **NO** to Malaria

**438 000**

recorded deaths  
in 2015

**214 million**

cases in 2015

**90%**

of malaria deaths  
occur in Africa

**70%**

of malaria deaths  
are children

Malaria may be one of the deadliest diseases in the world but with the right initiative and commitment the disease can be eradicated from Africa and the World.

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## BUSINESS REVIEW

# SUSTAINABILITY REPORT

***Our Sustainability strategy is focused on responsible business practices. We adopt and embed Sustainability in our business. This helps to ensure that we are not jeopardizing opportunities and resources for future generations.***

The new frontier arising is that more priority is being given to Sustainability as a fundamental part of the corporate and social policy of many governments, organizations and even individuals. This is evident in the significant progress of certain organisations that have already embraced the essence of Sustainability in their business culture and practices. Today, strategic decisions on sustainability are being made by businesses around the continent.

Sustainability can be defined differently based on a variety of business contexts. It is an issue that is vital to many businesses in recent times, capable of making or marring the brand equity of many organizations. This paradigm shift geared towards Sustainable business practices across different sectors, industries and economies globally, is leading to improved corporate cultures, more sustainable products and increased profits in the long term. At Access Bank, environmentally and socially responsible

approaches are of utmost importance to us and we have stayed committed to this practice since we began this journey in 2008. Our Sustainability strategy is focused on responsible business practices. We adopt and embed sustainability in our business. This helps to ensure that we are not jeopardizing opportunities and resources for future generations.

For us, Sustainability transcends meeting regulatory requirements and 'ticking the box' to satisfy societal expectations but involves strategic planning and decision-making to adopt business practices, motivate paradigm shifts, creating a culture of economic, social and environmental responsibility across the Bank, its people and the entire value chain. Addressing key issues facing the economy, environment and social sphere, we are able to strategically address material issues of concern to the Bank and the global community at large whilst addressing the Sustainable developmental goals.



With the continuous changes, growth and improvements within the global community and with new targets being set daily, we continue to improve on our existing policies, practices and processes in order to remain progressive and innovative leaders driving a Sustainable financial future for Nigeria, and indeed Africa.

### THE JOURNEY SO FAR

In 2008, Access Bank established a dedicated unit focused on embedding sustainability in the Bank's business. This was in line with our commitment to Sustainability. By leveraging sustainability, we were able to build value for all our stakeholders – making profits sustainably, reducing the impact of our business operations on the environment, and developing our local communities. Through the years, we have shown an unwavering commitment to sustainability. Indeed, we are walking the talk. We initiated discussions which have led to the development of the Nigerian Sustainable Banking Principles – a set of nine principles by which all banks in Nigeria are encouraged to live the sustainability ethos. We are determined to make a meaningful impact around the world and to increase awareness within our industry of how best to implement the strategic sustainability agenda.

In 2016, we continued to engage all our valuable stakeholders through various approaches and platforms, in order to completely understand their needs and expectations. These findings influenced our plans and decisions on our strategic priorities and objectives for the year. Following this, we were able to identify the need to embark on initiatives that addressed human and socio-economic development in our communities of operation. These initiatives have been able to provide sustainable solutions to the challenges faced by the underprivileged. With several partnerships and collaborations for innovative problem-solving, we were able to address health issues such as: Sickle Cell, Diabetes, HIV/AIDS, Malaria, Cancer, Obstetric Fistula amongst other health related challenges. We were also able to proffer sustainable solutions for environmental issues such as: Sustainable waste management and environmental as well as ecological conservation. In addition to this, the Bank's full support rendered noble life-changing monetary and in-kind interventions including contributions to orphanages, physically challenged, health institutions, schools and many others. We have remained innovative and resolute in our efforts towards environmental efficiencies, our interventions in health and social issues, our commitment to community investments, our strategic local and international partnerships for growth and our sustainable economic value. This has continued to yield global recognition evident in the local and international awards won by the Bank for its strides and efforts in Sustainability. This has continued to strengthen our position as industry leaders in the country.

### STAKEHOLDER ENGAGEMENTS

There is great value in holding continuous dialogue with our stakeholders. At Access Bank, we are fully aware of this and we have continued to interact with our stakeholders, on a formal and informal basis. This has helped to strengthen

relationships and improve our business performance. The purpose is to help the business prosper by understanding the expectations of our stakeholders for strategic planning and decision-making for expected results and success.

Regularly, the Bank engages in a number of activities to improve the experience of our stakeholders. At Access Bank, every stakeholder is important to us. However, for optimum engagement, we prioritise our stakeholder groups according to the level of the influence they have on our Bank's business, as well as the impact we potentially have on them. Our priority stakeholders are our employees, customers, investors, regulators and communities. We further demonstrate our commitment to our stakeholders by including them as key elements in our Bank's mission statement. By empowering our various strategic business units to engage directly with relevant stakeholders, we ensure that the Bank remains fully in touch with their needs, expectations and perceptions. This enables the businesses to react quickly to any issue that requires attention.

We continue to engage our employees through daily feedback and employee surveys, Happy Hour sessions, retreats, recognition and awards. Through daily, two-way interactions, customer surveys, forums and the Voice of the Customer Solution, we understood and responded to the needs and primary interest of our customers. We engaged our shareholders and investors through platforms such as the Investor Day, Deal/Non Deal roadshows, shareholder associations meetings, bi-annual investor relations newsletters and the annual general meeting. Appropriate engagement mechanisms were extended to our other stakeholders including government, local communities in our areas of operation, regulatory bodies, particularly the Central Bank of Nigeria and the Securities Exchange Commission, our suppliers, the media, as well as industry analysts. Through these engagement platforms, we were able to stay abreast of the needs, concerns, and expectations of our stakeholders, and respond appropriately.

### FINANCIAL SUSTAINABILITY AND NATIONAL SUSTAINABLE DEVELOPMENT

As a global financial services provider with a diverse range of products tailored to individuals, businesses, institutions and governments, Access Bank seeks to make a positive contribution to the global economic growth and development. For Access Bank, being sustainable implies doing business and, at the same time, contributing to the economic and social progress of the communities where we are present, whilst taking into account our environmental impact on all stakeholders. Our strategy, together with a solid corporate governance structure, has enabled Access Bank to retain its sustainability leadership in Nigeria and indeed Africa.

At the heart of our strategy is the strong belief that we can finance the future of our numerous stakeholders – customers, employees, suppliers, and shareholders. The markets in which we operate are among the most challenging in the world, with multiple developmental issues. Whilst these challenges create opportunities, we are devoting our

resources to achieving results and making impact through the power of finance. As a result, we promote access to banking along with social inclusion, while contributing to the development of the communities where we are present and preserving the environment.

We demonstrate our continued dedication to financial sustainability, responsible and inclusive finance, and sustainable development through our strategic partnerships and collaboration with formidable institutions.

Addressing responsible business needs of the communities in which we operate and providing genuine solutions that help improve such communities is of utmost importance to us. We believe that this approach should apply to overall risk management, agricultural finance, environmental finance, emerging business opportunities in the Arts, global carbon trading and general investments in Africa. We do this because of our strong commitment to all round development which is not only financially sustainable, but also socially equitable and ecologically friendly.

### The Access NollyFund

In 2016, Access Bank launched a N1 billion 'AccessNolly' fund - a new and innovative financial service to improve and provide solutions for markets and communities where it operates. Identifying the Nigerian film industry as the third largest film industry in the world with annual revenue of \$200 million which currently employs approximately one million people, Access Bank decided to develop and launch this N1 billion fund which is primarily targeted at players within the industry that have the capacity to produce and distribute movies as well as meet other set eligibility criteria. Access bank hosted all stakeholders of the industry to a Power Breakfast, where key, players in the industry made presentations on how best to move Nollywood forward before the Access Nolly fund was unveiled.

### ENVIRONMENTAL AND SOCIAL PERFORMANCE

In continuance of our commitment to sustainability, Access Bank took careful measures and implemented apt systems to enable us comply with all environmental and social regulations relating to our Banking activities and operations. We continued to work towards improving our Sustainability programs and reducing our environmental footprints and as a result, Access Bank did not suffer any fines, sanctions, penalties, queries financial or non-financial owing to non-compliance to all national environmental and social laws or voluntary codes and standards of corporate Sustainability to which we are subscribed.

On our environmental performances, Access Bank has reduced its negative environmental impact by investing in environmental friendly technologies to power various ATM locations and a branch. Presently, the Bank has over 240 solar powered ATM across Nigeria. Plans are also in early stage to power more branches with solar energy. This will reduce our carbon emissions and in turn minimize our impact on the environment. In addition, the Bank uses LED lighting and motion sensitive lighting in the head office and some branches. The Bank also has an early closure policy

where the head office is shut down at 8pm and branches at 6pm. Across the Bank, we ensured that eco-printing practices are adopted. We also ensured that all paper stationery used in printing internal memos are re-used, where possible.

Access Bank in partnership with Global Initiative for Economic Empowerment (GIEE) arranged a high level session, awareness program and training that engaged young influencers on the theme of the 2016 World Environment Day: "Fight against the Illegal Trade in Wildlife" where over 20,000 people were reached with wildlife protection information on social media; and over a 100 participants signed a joint declaration pledge to show zero tolerance for the illegal trade of wildlife products, to take appropriate action to protect endangered species. Also, in partnership with the Human and Environmental Development Agenda (HEDA), the Bank executed the Project Safe Water Initiative, a project aimed at drilling boreholes for the provision of potable water in 15 communities in South West Nigeria that initially had little or no access to clean water.

### Waste Management

Over the years, the Bank has adopted Sustainable waste management practices. In July 2016, Access Bank pioneered the waste recycling project for proper disposal and management of paper, plastic, glass and can waste at its Head Office and Annexes. Since its commencement, there has been a 50% reduction in the amount of waste produced that goes to landfill in these locations. As such, we are expanding the recycling initiative to our branches nationwide.

**SUSTAINABILITY  
STARTS WITH YOU!**

**REDUCE. REUSE. RECYCLE**

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SPEED SERVICE SECURITY



### Water efficiency

Water is essential to our operations, and we take very seriously, our responsibility to carefully manage our water resources. Over the course of the year, we took significant steps to optimize our water consumption. We installed water efficient cisterns in our rest rooms, thus conserving water consumption and reducing waste waters. Throughout the Bank, we aim to half our water usage in the coming years; as such we are looking to install more of these water-efficient cisterns in more of our branch offices nationwide. We will continue to work toward improving our sustainability programs and reducing our environmental impact.

### ETHICS, ANTI-CORRUPTION & WHISTLE-BLOWING

At Access Bank, we are strongly committed to high ethical standards and integrity. We continue to create awareness amongst our staff on the importance of ethical conduct, while maintaining a corporate culture that rewards honest practices and discourages unethical actions. Access Bank demonstrates its continuous commitment to ethical practices by working with leading institutions to build capacity for ethical behaviour amongst its employees. In order to enable staff and other members of the public to report unethical activities affecting Access Bank, we have deployed a robust whistle-blower system, outsourced to the KPMG Ethics Line. This line enables our internal and external stakeholders to report unethical activities affecting Access Bank, so that the Bank can take measures to address them before they escalate into future liabilities, business threats and losses. Details of the whistle-blowing channels are provided below:

#### Telephone

Internal: +234-1-2712065

External:

KPMG Toll free lines: 0703-000-0026;

0703-000-0027; 0808-822-8888

#### Email

Internal: [whistleblower@accessbankplc.com](mailto:whistleblower@accessbankplc.com)

External: [kpmgethicsline@ng.kpmg.com](mailto:kpmgethicsline@ng.kpmg.com)

In order to instil the highest ethical and legal standards as well as comply with applicable international laws, we have appointed functional anti-bribery compliance officers across our branches nationwide. We also further strengthened the implementation of our Anti-bribery Policy and related policy documents such as the Code of Ethics and Compliance Manual, thus making them applicable to all our primary stakeholders and business partners, particularly our staff, vendors and contractors.

### Human Rights

Access Bank fully demonstrates respect for human rights and all related charters on the subject matter. Our Bank's documented Human Rights policy guides our organisation-wide actions in a manner akin to the Universal Declaration of Human Rights. We demonstrate our respect for the rights of all people, through our gender-inclusive, equal opportunities and non-discriminatory workplace culture.

At Access Bank, we respect the rights of all people, men, women, old, young, physically challenged, amongst others.

In addition, we also promote human rights compliance through our lending decisions and supply chain relationships. Respectively, our procurement and credit risk teams, adopt due diligence processes which ensure that Access Bank does not conduct business with prospective borrowers or vendors that have questionable human rights records. Access Bank was the first indigenous bank in Nigeria to have a fully operational workplace policy on HIV/AIDS. We pioneered the HIV/AIDS Workplace Policy Programme across all our subsidiaries.

In 2016, we continued to maintain a grievance mechanism on human rights, amongst others issues, through our whistle-blowing line, through which our internal and external stakeholders can report any human rights abuses. Clearly, the availability of this line has strongly guarded and prevented members of the Bank's staff from indulging in human rights abuses.

### WOMEN EMPOWERMENT AND GENDER INCLUSIVENESS

At Access Bank, the empowerment of women is one issue at the heart of our growth and sustainable development strategy. Women empowerment is a very material issue to us and our stakeholders, and we have always maintained programmes within our organisation to eradicate gender equality. As such, Access Bank has continued to play a role as one of the leading sponsors of the internationally proclaimed Women's Empowerment Principles promoted by the United Nations Women and the United Nations Global Compact (UNGC). As a Bank of best practice, we continue to subscribe to the Women's Empowerment Principles, and have gradually begun to eliminate traditional banking, finance and societal stereotypes by which women were excluded from certain roles, opportunities and privileges.

Access Bank maintains a high-level corporate leadership on gender equality matters. In line with our belief, we signed onto the United Nations Global Compact's Women's Empowerment Principles (WEP) in 2010. Access Bank has since been a member of the WEP Leadership Group. We empower our female employees by helping them build their leadership competencies so that they can assume future leadership roles within the organisation. To this end, we founded The Access Women Network (AWN) in 2011. AWN provides a platform for our female employees to accelerate their professional and personal development through interactive learning and development workshops and training. As a result, between 2012 and 2013, the number of women on our board has increased significantly especially with the bank's first female chairperson, Mrs Mosunmola Belo-Olusoga.

Access Bank also promotes initiatives to empower women through our supply chain activities and marketing practices. Besides the Access Women's Network, and Supporting the Access Woman initiatives, in July 2014, Access Bank

unveiled the "W" initiative to accelerate a new and stronger wave of hitherto scanty female entrepreneurs in Nigeria. In addition to financial inclusion, the "W" initiative is a one-stop center of all of Access Bank's women empowerment offerings. Some of these include capacity building programs exclusive to women, mentoring programmes, and maternal health services, all aimed at helping to build a bigger, stronger and more sustainable society. "W" is another impactful women empowerment initiative launched by Access Bank. However "W" extends to female members of the public outside the Bank.

### **Pledge for Parity**

Access Bank Plc. through its 'W' Initiative and the female staff network Access Women Network (AWN) held series of activities to mark the International Women's Day while encouraging both staff and Customers to participate in the movement #PledgeForParity. In a bid to promote a culture of gender equality and inclusion, all staff members, customers and event partner organizations were encouraged to take the pledge and share with their social networks. Other activities in commemoration of the 2016 International Women's Day included:

- The Gender Parity Workshop for Gender Awareness, targeted at male customers and staff members aimed at discussing gender parity. This was held during the Bank's monthly staff engagement forum – Quest for Excellence Hour
- A social media campaign was also executed on the Bank's social media platforms where pictures and videos of staff creating awareness on Gender Parity were uploaded and promoted to sensitize and create more awareness in the community.

### **Access Women Network**

In 2016, a series of engagement activities were implemented to engage women in empowerment programmes comprising capacity building, mentoring and networking opportunities, all specially designed to grow and groom our female employees, at all levels in the organisation. These activities included: the AWN Survey, the "Love a Child" Initiative, The Toastmasters' Club (AWN Chapter), sponsorship of 15 AWN members to attend the 15th Annual WIMBIZ conference, the Orange Lecture, amongst others. These engagements were geared towards catalyzing the confidence and skills of our women to better succeed in their careers.

### **Walk for Hope**

The Access Women Network as well as the 'W' initiative also embarked on a campaign aimed at raising funds for the Genesis House. Genesis House is a non-governmental organisation that cares for disadvantaged girls and young women in Nigeria, especially victims of human trafficking, abuse and addiction.

### **The Adire Challenge:**

The Adire challenge was a fundraising drive in support of Genesis House. The challenge cuts across Access Bank staff and external bodies in support of the charitable cause. AWN members wore a touch of Adire every Friday in

the month of April 2016, and was accompanied by a social media campaign on the Bank's social media platforms.

### **Walkathon:**

The Walkathon was also an initiative in support of Genesis House. The Walkathon took place on the 23rd of April, 2016 and was aimed at raising awareness on the need to empower and support vulnerable young women in the society. About 2500 participants from Corporates in Nigeria, government, the diplomatic community and schools were part of this 10km walkathon for a good cause. In total, these two initiatives successfully raised over N40 million in cash and kind for the victims of human trafficking, abuse and addiction at the Genesis House

### **EMPLOYEE VOLUNTEERING ACTIVITIES**

Sustainable businesses encourage and support the involvement of their employees in community volunteer work. Employee volunteering is an innovative way for businesses to invest in their people and local communities. Access Bank being a leader in sustainability in the financial industry, knows the benefits of giving back to the communities in which we operate and also encourages our employees to do the same.

The Bank focuses on five areas of community investment namely: Environment, Education, Health, Sports and Arts. Employees are guided and advised on how to impact communities in these focus areas, donating their time, skills and resources during work hours to tackle local social issues.

This year's activities demonstrated the passion and commitment of our employees to community investment. Some of the impressive projects in the various groups embarked on are highlighted herein.

#### **1. Skill Acquisition Project Focused on Women Empowerment**

Like many African women, Nigerian women have a subordinate role to their male counterparts. The United Nations, has proposed women empowerment as a tool to eradicate gender inequality as depicted in the Sustainable Development Goals, and reduce women vulnerability and dependency in all spheres of life.

In light of this, Access Bank's Retail Operations Group launched a capacity building program with the aim to train and empower disadvantaged women across Nigeria, some of which include: Rehabilitated street girls, Chibok women in IDP Camps, Widows and Rape victims.

The Group partnered with Field of Skills and Dreams (FSD) Academy whose aim is to train individuals in vocational, technical and entrepreneurial activities for self-employment. Participants were trained for a maximum period of 3 months to enable them acquire a vocational skill in Catering, Fashion designing or Hairdressing; attended seminars and upon graduation were given equipment such as Ovens/Stoves, Dryers, Sewing machines etc. to enable them start off a small scale business. The graduates were



thereafter monitored regularly via visits to locations as well as follow-up seminars at the training centre by Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and FSD.

Training locations were Lagos, Abuja, Ibadan and Calabar, and feedback received from FSD Academy showed that the training was impactful as a total of 225 graduates have been produced, and some of the graduates have gone ahead to set up verifiable small scale businesses, or have themselves become trainers and mentors in other businesses.

Some of the testimonies from trainees are outlined below:

- I'm a Chibok woman and I used to be a civil servant. Memory of the move from Chibok brings tears to my eyes. My family lost everything and we became refugees. Now I am a skilled person earning an income in my new community.
- My life changed when I was nominated for this program. I was jobless, rejected and waited for hand outs, now I sew iro and buba to earn a small income.

## 2. Restoring Dignity to Public Schools

The Conduct and Compliance Group's CSR project tagged 'Restoring Dignity to Public Schools' is a stand to improve Nigeria's educational system which is plagued by so many problems which include but are not limited to lack of infrastructure.

The project was aimed at delivering Ultra-modern classrooms, offices and lavatories to Obele Community High School, Surulere Local Government Lagos. This required the redevelopment of the completely dilapidated classrooms, staffrooms and lavatories into a fit-for-purpose and contemporary facility. Prior to the intervention, students of the school were seen to have had classes under trees, exposed land spaces and often times inside these dilapidated structures.

In addition to the reconstruction of the school building, the Group also partnered with NDLEA to deliver a mentorship program to 856 students of the school on the dangers of drug abuse and gender equality, which exposed the students to positive lifestyles and values. This project ran from May through December, 2016 with intense commitment from employees.

Impact was made as 856 students have been transformed into agents of change through the mentorship programme and the basic infrastructural need of the students, a proper learning environment, has been met.

The Bank was given an award in recognition of the effort, hard work and commitment which staff of the Conduct and Compliance Group invested in the project.

## 3. Awareness Forum on Violence against Women and Children

The Financial Control & Strategy Group, over the last 7

years has focused on implementing projects and bringing awareness to issues affecting women and children in particular. This focus on women and children is borne out of the fact that these groups of humanity are the most vulnerable, worst hit by social ills, archaic value systems and so on.

This year, the Group focused on the issue of sexual and domestic violence against women and children. This initiative was influenced and strengthened by the available statistics for violence against women and children in Nigeria. A 2014 report adapted by the United Nations Children's Fund (UNICEF) from the National Population Commission of Nigeria, UNICEF Nigeria, and the US Centres for Disease Control and Prevention has shown that: There is a high prevalence of violence against children in Nigeria; violence is rarely an isolated incident; violence starts at a young age; perpetrators are overwhelmingly people whom children know; incidents are rarely reported and most victims are unaware of how to or from where to seek help, and rarely receive help when it is sought; and violence has serious impacts on girls' and boys' lives and future.

Leveraging the Lagos State's response platform, the Domestic & Sexual Violence Response Team (DSVRT), and in keying into the UN's 16 days of activism against gender-based violence, the Group organized various activities to create awareness, educate and encourage participation of the public in the fight against this vice. Activities include: School sensitization programs across 3 educational districts in Lagos State, and a stakeholders' forum titled "It's on You and I to end Violence against Women and Children" which featured a panel discussion, and a lead paper which was presented by renowned Human Rights Lawyer, Mr. Femi Falana. The stakeholders' forum attracted over 300 guests from various sectors of the society – school children, university students, government officials, human rights activists, media, entertainment, medical practitioners, traditional rulers, market association as well as dignitaries/special guests including the Lagos State Commissioner for Police, the Chairman, Access Bank Board of Directors, Mrs. Mosun Belo-Olusoga, and the MD, Herbert Wigwe. The Attorney-General and Wife of the Governor of Lagos State were duly represented.

The aim was to create a change in the mind-set of the public, so that individuals and communities are encouraged to take action whenever necessary. The objectives of the initiative include the following: Education of children and the general public on the prevalence of abuse in the society; Awareness of resolution channels in the event of any incidence of abuse; Encourage public interest and participation in tackling abuse, and Support (infrastructure) for response agencies and agents such as the DSVRT.

Impact was made as over a 4-week period, the Group was able to educate and train over 1,500 primary school children, drawn from over 100 State and Private Schools, and their teachers, providing them with necessary resources (Educational materials such as books and fliers), enlighten and encourage public participation in tackling this issue,

and pledge N1Million to fund the Lagos State DSVRT's priority projects over the next year. The Group also visited and donated gifts and food items to the Lagos State Childrens' Centre in Surulere which caters to abandoned/abused children between the ages of 6 and 10 years. It is safe to state that the reach of the symposium went far. The power of the right kind of information cannot be underestimated and will go a long way to motivate people to stand up against this vice.

#### 4. Partnership for Visually Impaired Persons (VIPs)

Visually Impaired Persons (VIPs) face a number of problems in their daily life.

In order to be instrumental to the empowerment of individuals who are visually impaired to live productively and independently by building confidence through training, tools and mentorship, the Centralized Operations Group embarked on a 3 year project to build a 40 room hostel at the Federal Nigeria Society for the Blind (FNSB), a voluntary organization with the aim to assist in promoting the general well-being of the blind and rehabilitate and integrate them into the society.

FNSB established a vocational training centre in 1955 and currently runs a training programme to enable VIPs (adolescents and adults) from all over the Federation acquire skills in Handicrafts, Braille reading and writing, Computer skills, Dictaphone typing Mobility, telephone switchboard operations, Tie and dye and bead making necessary for job placement in industries or for self-employment.

This project was aimed at providing the school with an opportunity to admit more VIPs through the provision of more hostel rooms/accommodation. Other activities this initiative provided include: Seminars on empowerment of VIPs, mentorship, interactive sessions between Access Bank Staff and VIPs, supporting the texts books to braille and audio/talking books.

Impact was made as the hostel provided for a 40% increase in the number of VIPs that can be accommodated at the Centre from 60 students per session to 100 students per session. Employees encouraged the VIPs by purchasing most of the handmade items displayed during the seminars, e.g. adire, bags, beads, laundry baskets, brooms, stools and tables. The hands on engagement of staff members in the seminars, the bonding sessions, and the end of year party organized on December 10, 2016 warmed the hearts of the VIPs and helped staff members gain their loyalty and kind consideration, with a letter of appreciation and commendation sent to the Group from the Board of Trustees, VIPs, Executive Council, Management and Staff of the Society.

#### 5. The Take Tomorrow Initiative

Education, health and entrepreneurship have been discovered to be important elements necessary for true sustainable development in a society, and it is on this premise that the Corporate Communications Group based its CSR

project tagged "The Take Tomorrow Initiative". This project adopted a 3-pronged approach with interventions in the areas of education, health and entrepreneurship.

In the area of health, the Group in June 2016, partnered with two Non-Governmental Organisations – Hacey Health Initiative and Asha Initiative in sensitizing Dakece Community on Vesicovaginal Fistula (VVF) by engaging community stakeholders on the importance of accessing antenatal care at registered clinics and delivering babies with the help of skilled midwives, as a means to completely eradicate VVF. Attended by over 200 members of the community, the programme was successful at establishing focus groups in the community, comprising of men, women and a community leader for continued discussions on the prevalent VVF causes and preventions.

In the area of entrepreneurship, the Group partnered with Junior Achievement Nigeria (JAN) for the selection of schools to train in line with the JA training module. The 20 week long entrepreneurial training session involved mentoring of the students until they were able to birth their business ideas and execute them for profit maximization. Members of the group were distributed into 6 teams covering 6 schools to share their knowledge, expertise and experience on entrepreneurship by volunteering 2 hours of their time in a week to train the JA students. Currently, the initiative is impacting over 200 students with business education and entrepreneurial skills, empowering them for a productive future.

#### COMMUNITY INVESTMENT AND SERVICE TO THE SOCIETY

As part of our sustainability agenda we aim to impact people's lives positively and responsibly in all the communities where we serve. Thus, we continue to contribute to the socio-economic development of these communities, and help to achieve the new Sustainable Development Goals (SDGs). As such in 2016, as we do every year, we initiated and supported numerous efforts aimed at achieving the SDGs. Over the years, our areas of focus in community investment have included gender equality/women empowerment, education, health, arts, and sports. Many of these efforts which are to invest in, and grow solid relationships with our communities have included the widening reach of our market presence, our indirect economic impacts, grievance mechanisms, public policy, anti-corruption efforts, charitable donations and employee volunteering. We make these efforts so as to jointly secure, for ourselves and the people around us, a future of excellence. Some highlights include:

- Malaria To Zero
- The Access Lagos Marathon
- UNICEF Charity Shield Polo Tournament 2016

#### Malaria to Zero

Despite significant investments in malaria interventions over the last decade, Nigerians have not experienced commensurate results in terms of malaria outcomes. At the current slow but incremental trajectory, Nigeria will be



unable to meet its malaria pre-elimination targets by 2020. The transition from malaria control to elimination provides a compelling opportunity for Nigeria to reflect on its aspirations, take stock on progress and inspire bold, innovative approaches and complementary non-traditional public-private partnerships to disrupt poor malaria outcomes and catalyze a path towards achieving Nigeria's pre-elimination targets by 2020.

Accelerating progress towards pre-elimination requires rethinking the way malaria interventions are developed, executed and financed, from a public, fragmented, tactical approach to an innovative public-private bespoke approach. Consequently, the Private Sector Health Alliance of Nigeria and Access Bank, under the leadership of the CEO of Access Bank – Dr. Herbert Wigwe, launched the Malaria-to-Zero initiative as an innovative financing platform to galvanize private sector resources and capabilities for sustained support towards averting at least 1 million malaria cases and deaths by 2020—a first step towards complementing government's effort in achieving its malaria pre-elimination goals by 2020.

This aim shall be achieved by organizing and tactfully leveraging on the resources, capabilities and the proven expertise of private sector organizations in our growing network, in addressing market failures impeding the malaria elimination program in Nigeria. This initiative was launched on April 25, 2016 (World Malaria Day) at a CEO Roundtable led by Access Bank CEO, Herbert Wigwe, with support from the Private Sector Health Alliance of Nigeria (PHN) and HACEY Health Initiative (HACEY). The former Minister of Health, Dr. Mohammed Ali Pate and the Lagos State Commissioner for Health, Dr. Jide Idris, were special guests at the event. In attendance were about 60 top management staff of invited organizations with 38 of them being CEOs.

The plan for 2016 was to raise funds to kick-start the implementation activities in 2017. The results so far include:

- Road shows to key decision makers in various organisations and High Networth Individuals to engage, secure buy-in and commitments on Malaria to Zero.
- Signing of Malaria elimination pledges by about 25 organizations. These pledges indicate commitment to the elimination of malaria in Nigeria. The signing of the pledges also signify the first step towards taking joint action on the Malaria to Zero initiative.
- Support received from large corporates and foundation
- Development of the Malaria to Zero website by partner non-governmental organisation, HACEY Health initiative. The website is aimed at providing relevant information to various stakeholder publics whilst also encouraging more partners to come on board the initiative.
- Additionally, we have firm sustained commitments

from organisations such as Access Bank, Lafarge, GSK, Etisalat, Airtel, Shell, Exxon Mobil, Pfizer, MTN.

A monitoring and evaluation results framework has been developed for the areas of intervention to enhance performance management and accountability. More information on the activities of the malaria to zero initiative can be seen on the website – [www.malariatozero.org](http://www.malariatozero.org).

### **The Access Lagos Marathon**

In 2016, the Bank partnered with the Lagos State Government to successfully host the maiden edition of the Access Bank Lagos City Marathon. This partnership was aimed at providing strategic support in the area of sports whilst promoting healthy and active living through fitness and exercise. It was the first ever full Marathon in Nigeria since 1985. The event which was approved by the Athletics Federation of Nigeria (AFN), endorsed by the International Association of Athletics (IAAF) and tagged "Running from the old to the New", drew athletes from across the globe whilst showing the emergence of a modern city and multifaceted developments the state has witnessed since the last marathon over 30 years ago. The 2016 Access Bank Lagos City Marathon was ranked 2nd in Africa immediately after the Cape Town Marathon by the All-Athletics.com. The marathon also emerged 71 amongst over 1000 international marathons globally.

### **UNICEF Charity Shield Polo Tournament 2016**

The 2016 UNICEF Charity Shield Polo Tournament is one of the prominent initiatives, sponsored by Access Bank to drive development in the communities it serves. The 2016 edition of the 2016 Access Bank-UNICEF Charity Shield Polo tournament was designed to raise more awareness on the plight of vulnerable children and orphans especially the Internally Displaced Persons (IDPs) scattered across northern Nigeria. The tournament which was in two phases, started in Kaduna state and climaxed in Europe with the Access Bank Charity Shield Polo Day at the prestigious Guards Polo Club in London. The range of events which featured celebrities from different parts of the globe, proved to be yet another platform for supporting the less privilege in Northern Nigeria. Access Bank, in line with this year's goal, donated N10,000,000 to UNICEF for the cause.

### **ONGOING COMMITMENT TO RESPONSIBLE AND SUSTAINABLE BUSINESS**

Over the years, Access Bank has developed strong alliances and partnerships with many leading organisations in the field of sustainability. These include multilateral organisations such as the International Finance Corporation (IFC), the Netherlands Development Finance Company (FMO), the European Investment Bank (EIB), African Development Bank ("AfDB"), German Investment and Development Company ("DEG"), Belgian Investment Company for Development ("BIO"), Finnish Fund for Industrial Co-operation, (FINNFUND), Export-Import Bank of United States ("Ex-ImBank") and the African Export Import Bank ("Afrexim Bank"). We maintain these partnerships with a view to supporting Nigeria's economic development through

access to finance which promotes on-lending to small and medium scale enterprises conducting business in priority sectors of Nigeria. We believe that it is insufficient to simply be members of these coalitions. We understand that adherence, to the principles, values and shared commitments of our partnerships is much more important to ensure that our partnerships are effective and that the partnerships really make significant impact towards our sustainable development. This is because we do not just want to be members; we want to be actual bearers of the noble identities of our coalitions. Thus, value-added by our contributions to these partnerships has had far-reaching developmental impacts globally and on the Nigerian economy.

#### Nigeria Sustainable Banking Principles (NSBP)

Throughout 2016 Access Bank continued to chair the NSBP Steering Committee. In this capacity, the Bank provided leadership, guidance and assistance to other Nigerian banks in the implementation of the NSBP. In addition, the Bank doubled as the Interim Secretariat for the Committee, thus coordinating successful meetings, executing Committee's activities, and promoting the adoption of the NSBP in the Nigerian Banking industry. Our role as the Chair and Interim Secretariat of the Sustainability Champions Committee also continued throughout the year 2016. We continued to show our support for new and existing Sustainability champions across the Banking industry, organizing educative seminars and trainings that addressed major challenges of the discipline, further driving Sustainability across financial institutions in Nigeria.

#### The United Nations Global Compact (UNGC)

The UNGC is the world's largest corporate social responsibility organization with 9,146 corporate participants and other stakeholders in over 168 countries with two objectives: Mainstream the ten principles in business activities around the world, and catalyse actions in support of broader UN goals such as the Millennium Development goals (MDGs) and Sustainable Development Goals (SDGs).

In 2016, Access Bank continued as the co-Chair of United Nations Global Compact Local Network. In line with aligning the UNGC principles with the recently launched Sustainable Development Goals (SDGs), a workshop facilitated by the UNGC team from New York was organised for the Nigerian members of the UNGC. Access Bank also participated as a Table Leader at the UNGC Local Network Workshop on Anti-Corruption Collective Action. Organized and jointly hosted by the United Nations Global Compact Office New York, the Global Compact Network Nigeria, the Nigerian Economic Summit Group (NESG) and supported by Siemens' Initiative, the workshop marked the formal commencement of the second round of the Anti-Corruption Collective Action project in Nigeria.

Furthermore, in line with the principles of the UNGC and as part of the global efforts to combat potentially dangerous climate change, a number of initiatives exist in the Bank to curtail our greenhouse emissions footprint through the reduction of diesel consumption at our business locations.

We strongly uphold the precautionary principle, which motivates us to want to get involved for example, in mitigating climate change, even as the scientific evidence gathers momentum. The Bank also makes efforts to reduce water consumption, material resources such as paper, and business travel, where possible. A number of other initiatives are also ongoing in the Bank to ensure that the businesses we lend to and finance do not have adverse environmental impacts, or at least have impacts that can be mitigated. Amongst other key instruments we use to do this, we have primarily included environmental impact assessments and due diligence audits of prospective projects, clients and suppliers. In furtherance of our continued commitment to environmental stewardship and responsibility, we became a pioneer member of the Environment work stream of the UNGC local network in Nigeria in early 2015.

In addition to the efforts with regards to the Nigeria Sustainable Banking Principles (NSBP) and the United Nations Global Compact (UNGC), our Sustainability team also made significant efforts to deepen our relationships and partnerships with pro sustainable development organisations. These efforts materialized through our membership contributions, sponsorship of events, active contributions and participation at meetings, and through the continued adoption and support of their initiatives as a key player in the Nigerian banking sector. These include the Nigerian Business Council on Sustainable Development (NBCSD), Nigeria Sustainable Banking Principles (NSBP) Steering Committee, United Nations Environmental Programme Finance Initiative (UNEP FI), United Nations Principles for Responsible Investment (UNPRI), Nigerian Conservation Foundation (NCF), Nigeria Business Coalition Against AIDS (NIBUCAA), Convention on Business Integrity (CBI), Global Reporting Initiative (GRI), Equator Principles (EP), London Benchmarking Group (LBG), GBCHealth, Corporate Alliance on Malaria in Africa (CAMA) and WeConnect International.

#### United Nations Environment Program – Financial Initiative (UNEP-FI)

The UNEP FI is a collaborative initiative between UNEP and the global financial sector. UNEP FI works with its full range of partners to promote sustainable development through the financial industry players. Access Bank is well represented on the regional representatives' platform of the UNEP FI in Africa. By the virtue of this, we join other global leaders in environmental sustainability to move sustainable finance forward. As an active member of the UNEP FI, we participate in AGM's and contribute to innovative ideas for accelerating Sustainable Finance in Emerging Markets.

The 14th edition of the GRT, held in Dubai, UAE, between October 24 – 26, 2016, built on the Sustainable Development Goals (SDGs) and the Paris Climate Agreement which had been successfully agreed to by countries around the world in 2015. At this crucial gathering of global green economy leaders, Access Bank along with other participating stakeholders identified ways for the finance communities to stand as facilitators for sustainable, climate resilient development. It was also an important next step in defining



the global finance agenda, following the 13th Roundtable, which was held in Beijing.

### SUSTAINABLE THOUGHT LEADERSHIP

At Access Bank, financial sustainability has long been established as a core trait of our business. As a result, we remain dedicated to sustainable development through our strategic partnerships and collaboration with formidable institutions. In maintaining these multilateral partnerships, we continue to encourage the wider Nigerian financial sector to embed environmental and social risk management. Indeed our partnerships go beyond these multilateral financial institutions, to include several other regional and international organisations and coalitions making great-sustainable development impact around the world.

Additionally, there is top level leadership and buy in on Sustainability. The Bank plays leadership roles to promote Sustainability locally, regionally and internationally:

- Access Bank is the Co-Chair Africa and Middle East, the United Nations Environment Program Finance Initiative, and a member of the Global Steering Committee.
- We also serve as the Co-Chair, United Nations Global Compact Nigerian Local Network;
- Leadership Group Member, United Nations Women Empowerment Principles;
- Chair, Steering Committee, Nigerian Sustainable Banking Principles;

- Board Advisory Committee, Private Sector Health Alliance of Nigeria;
- Board Member, Nigerian Business Council on Sustainable Development;
- Co-Chair, Nigeria Business Coalition Against AIDS;
- Member, Private Sector Delegation to the Global Fund
- Board and Member, WeConnect National Advisory Board, Nigeria.

### SUSTAINABILITY RECOGNITION AND AWARDS

Our desire is to see ongoing progress in the developmental landscape of Nigeria and Africa. It is this desire that has driven our many initiatives and collaborative efforts to foster economically, environmentally and socially sustainable development in Nigeria and Africa. As we do so, the world watches, which is why we are often recognized and rewarded by those stakeholders who truly appreciate the value of our efforts. As such, we continue to receive recognitions and accolades for our strides in promoting sustainable development in Nigeria through our banking operations and corporate citizenship efforts. Some of our most notable recognitions received during the year 2016 include:



AWARD	ORGANIZATION	JUSTIFICATION
Most Outstanding Business Sustainability - Karlsruhe Sustainable Finance Award	Karlsruhe Government and the European Organization for Sustainable Development (EOSD)	The Outstanding Business Sustainability Achievement Award in recognition of the Bank's outstanding success in incorporating economic, social and environmental aspects/metrics in the corporate strategy and business processes.
Most Sustainable Bank Award	World Finance	The Most Sustainable Bank Award in recognition of the Bank's efforts and contribution in sustainability initiatives.
Best CSR Award	EMEA Finance	The Best Corporate Social Responsibility Award in recognition of the Bank's effort in this space.  In addition to this award, the Bank also won the CEO of the Year Award, and the Best Bank Award (Nigeria).
Best Company in Sustainability Reporting	The Sustainability, Entrepreneurship and Responsibility Awards (SERAS)	The award was given in recognition of our concise, comprehensive and well-structured annual sustainability reports. This reiterates our leadership position in the Sustainability space and validates the value that reporting of our sustainability strides adds to our business.

These awards substantiate the Bank's commitment and dedication to becoming the World's Most Respected African Bank.



## BUSINESS REVIEW

# RISK MANAGEMENT

***Risk management in 2016 may be described as a kaleidoscope of opportunities hidden within an intricate web of uncertainties. The macroeconomic headwinds continued to create multiplicity of known and unknown risks, causing business and risk managers to delicately navigate the risk minefields like bomb detonating experts. The carryover of the sharp downward spiral in oil prices (on the back of a global glut spurred by weakened demand and expanded supply) continued to impact the national economy in unprecedented ways. This negatively impacted foreign reserves and prompted the depreciation of the naira – with a threat of potential further decline. These developments have opened up a challenge for the current administration: how to conserve foreign reserves, curb rising inflation and unemployment and shore up productive capacity as the import-content of manufacturing and general commerce instigates drop in production and rising cost of production. For many firms, survival depended on their capacity to access dollars and transfer the costs to the ultimate consumers – who already faced a diminished purchasing power. In addition, many states had to be bailed out as they could no longer pay staff salaries.***

## INTRODUCTION

In summary, the country's political risk was once again significantly elevated, as various foreign investors and foreign banks remained circumspect in transacting with Nigeria. Various policy responses were adopted to curb dollar demand and slow down the rate of Naira depreciation especially in the parallel market. Given the current difference between the official and parallel foreign exchange markets, it is clear that more work is required.

As expected, the industry felt the pinch of a tight monetary and liquidity environment. Asset quality also deteriorated at the industry level. It was also a period in which compliance risk took front seat as regulators stepped up monitoring and enforcement actions.

Access Bank has a well-tested enterprise-wide risk man-

agement framework, and this proved pivotal in anticipating the risks arising from the macro. This enabled early intervention measures to be taken, whilst remaining positioned to take advantage of emerging opportunities.

The Bank continued its journey of further deepening its risk practices and successfully completed a number of interesting and innovative ERM and risk culture enhancing mechanisms. These included:

- » Full enhancement and automation of our risk-based performance management system.
- » Implementation of our Internal Liquidity Adequacy Assessment Process (ILAAP).
- » Roll out of our Recovery and Resolution Plan (RRP) and dash board-linked triggers.



- » Entrenchment of our now standardized scenarios analysis template.
- » Creation of our Portal for Risk and Information Sharing and Management (PRISM) as part of our Risk Culture enhancement.
- » Automated Balance Sheet Management application.

All the above are in addition to our existing robust practices, including full automation of our capital computation under Basel II principles, automated operational risk workflow, automation of our Environmental and Social Risk monitoring process, enhanced stress testing menu, among others.

Taken together with our first-line of defence empowerment initiatives, the above practices have enhanced the intensity of our risk identification, risk analysis and risk monitoring processes, with attendant positive impact on the risk metric outcomes we have achieved, including industry-leading asset quality metrics, robust capital adequacy, sound liquidity metrics and ratings enhancements from our various rating communities.

Further details on some of the above, and other key developments are provided in what follows below.

## ENTERPRISE-WIDE RISK MANAGEMENT

Our Enterprise-wide Risk Management Remains custom-made, helping our stakeholders achieve their ambitions lies at the heart of our processes as we apply bespoke risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way. We help in connecting our customers to opportunities through our avowed promise of speed, service and security.

The Bank's overall risk tolerance is established in the context of our earning power, capital and diversified business model. The Bank's organisational structure and business strategy is aligned with its risk management philosophy. As we navigate through new frontiers in a growth market in the ever-changing risk universe, proactive Enterprise-wide Risk Management Framework becomes even more critical. We continue to push the frontiers of our overall risk profile whilst remaining responsive to the ever-changing risk universe.

Access Bank views and treats risks as an intrinsic part of business and maintains a disciplined approach to its management of risk. Its Group Risk functions remain dynamic and responsive to the needs of stakeholders as it improves its focus on the inter-relationships between risk types. It uses on-going reviews of risk exposure limits and risk control to position itself against adverse scenarios. This is an invaluable tool with which the bank predicted and successfully managed the headwinds – local and global – which continued to impact the macroeconomy throughout 2016. Market volatility and economic uncertainty, like what was witnessed in 2008, are typically contained because the Group regularly subjects its exposures to a range of scenario analyses and stress tests across a wide variety of products, currencies, portfolios and customer segments.

The Bank's risk management architecture, as designed, continued to balance corporate oversight with well-defined risk management functions which fall into one of three

categories where risk must be managed: lines of business, governance and control, and corporate audit. The Board of Directors and management of the Bank are committed to constantly establishing, implementing and sustaining tested practices in risk management to match those of leading international banks. We are convinced that the long-term sustainability of our Group depends critically on the proper governance and effective management of our business. As such, risk management practice occupies a significant position of relevance and importance in the Bank.

Risk strategies and policies are set by the Board of Directors of Access Bank. These policies, which define acceptable levels of risk for day-to-day operations as well as the willingness of Access Bank to assume risk, weighed against the expected rewards are detailed in the Enterprise-wide Risk Management (ERM) Framework, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost-effective manner. Specific policies are also in place for managing risks in the different core risk areas of credit, market and operational risks as well as for other key risks such as liquidity, strategic and reputational risk.

The role of the Group Chief Risk Officer in Access Bank remains pivotal as he is the custodian of the ERM Framework of both the Bank and its subsidiaries. He provides a robust framework and drives the Bank's risk culture through both best practice risk policies and metrics and through leading the enthronement of the behaviours and practices that are consistent with our risk appetite. The Risk Management Division is responsible for the enforcement of the Bank's risk policies by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

Risk Management in Access Bank Plc. has become a culture and everyone, from the most junior officer to the Executive Management has cultivated the risk culture. The

Bank's officers approach every banking transaction with care, taking into consideration the Bank's acceptable risk appetite.

To some institutions, risk is viewed as a threat or uncertainty, but to us, it goes beyond that. Risk to us, presents potential opportunities to grow and develop our business within the context of our clearly articulated and Board-driven risk appetite. Hence our approach to risk management is not limited to considering downside impacts or risk avoidance; it also encompasses taking risk knowingly for competitive advantage. Access Bank approaches risk, capital and value management robustly and we believe that our initiatives to date have positioned the Group at the leading edge of risk management.

### **Risk Management Framework**

All activities and processes of Access Bank, involve the identification, measurement, evaluation, acceptance and management of risk or combinations of risks. The Board, advised by the various Board and Management Risk Committees, requires and encourages a strong risk governance culture which shapes the Group's attitude to risk. We believe that risk management encompasses the insights delivered by information which facilitate appropriate actions. Access Bank benefits from having enhanced its Group Risk Management Framework, which gives full Group-wide coverage of a variety of risks. Our annual risk cycle is designed to give management relevant, up-to-date information from which trends can be observed and assessed. The governance structure supporting our risk cycle is designed to deliver the right information, at the right time, to the right people.

Here in Access Bank, we have a holistic view of all major risks facing the bank. We remain vigilant with regard to both known and emerging risks and ensure that we are strong enough to withstand any exogenous shocks. Our Board-level risk committees play a critical role in providing oversight of risk management and ensuring that our risk appetite, risk culture and risk profile are consistent with and support our strategy to deliver long-term, sustainable success in achieving our strategic vision of being the world's most respected African Bank.

Risk, by definition, is dynamic in nature. The management of risk, consequently, must be evolving, necessitating regular review of the effectiveness of each enterprise risk management component. It is in the light of this that Access Bank's ERM Framework is subject to continuous review to ensure effective and cutting-edge risk management. The review is done in the following ways: through continuous self-evaluation and monitoring by the risk management and compliance functions in conjunction with internal audit; and through independent evaluation by external auditors, examiners and consultants.

We are running an automated and workflow-driven approach to managing, communicating, and implementing Governance, Risk Management and Compliance (GRC) policies and procedures across the Bank. This provides an

integrated and flexible platform for documenting and analysing risks, developing mitigation plans, defining controls, and managing ongoing risk assessments. It provides clear visibility on key risk indicators, assessment results, and compliance initiatives with integrated reporting of self-assessments, independent assessments, and automated controls.

We believe that understanding and managing our risks and continuously improving our controls are central to the delivery of our strategic objectives. The Board's risk committees play an active role in ensuring that we undertake well-measured, profitable risk-taking activities that support long-term sustainable growth.

### **Balancing Risk and Return**

Balancing risk and return and taking cognisance of the capital required demands rigorous analysis. The ultimate aim is to optimize the upside and minimize the downside with a view to adding value to our shareholders, and providing security to our other capital providers and clients, as well as ensuring overall sustainability in our business activities. Every business activity in our Group requires us to put capital at risk in exchange for the prospect of earning a return. In some activities, the level of return is quite predictable, whereas in other activities the level of return can vary over a very wide spectrum, ranging from a loss to a profit. Accordingly, over the past year we have expended substantial energy on improving our Risk and Capital Management Framework, to focus on taking risks where we:

- Understand the nature of the risks we are taking, and what the range of outcomes could be under various scenarios, for taking these risks;
- Understand the capital required in order to assume these risks;
- Understand the range of returns that we can earn on the capital required to back these risks; and
- Attempt to optimize the risk-adjusted rate of return we can earn, by reducing the range of outcomes and capital required arising from these risks, and increasing the certainty of earning an acceptable return.

Our objective of balancing risk, return and capital has led us to enhance substantially our risk management methodologies, in order to be able to identify threats, uncertainties and opportunities and in turn develop mitigation and management strategies to achieve an optimal outcome.

Value is added for shareholders if our process allows us to demonstrate sustainable risk-adjusted returns in excess of our cost of capital. The process provides security to our capital providers and clients by assuring them that we are not taking on incremental risks which adversely affect the outcomes we have contracted to deliver to them.

### **Enterprise-wide Scenario and Stress Testing**

We use robust and appropriate scenario stress testing to assess the potential impact on the Group's capital adequacy and strategic plans. Our stress testing and scenario analysis programme is central to the monitoring of strategic and potential risks. It highlights the vulnerabilities



of our business and capital plans to the adverse effects of extreme but plausible events.

As a part of our core risk management practices, the Bank conducts enterprise-wide stress tests on a periodic basis to better understand earnings, capital and liquidity sensitivities to certain economic scenarios, including economic conditions that are more severe than anticipated. The outcome of the testing and analysis is also used to assess the potential impact of the relevant scenarios on the demand for regulatory capital compared with its supply. These enterprise-wide stress tests provide an understanding of the potential impacts on our risk profile, capital and liquidity. It generates and considers pertinent and plausible scenarios that have the potential to adversely affect our business.

Stress testing and scenario analysis are used to assess the financial and management capability of Access Bank to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors. Scenarios are carefully selected by a group drawn from senior line of business, risk and finance executives. Impacts on each line of business from each scenario are then analyzed and determined, primarily leveraging the models and processes utilized in everyday management routines. Impacts are assessed along with potential mitigating actions that may be taken in each scenario. Analysis from such stress scenarios is compiled for and reviewed through our Group ALCO, and the Enterprise-wide Risk Management Committee and serves to inform and be incorporated, along with other core business processes, into decision making by management and the Board. The Bank would continue to invest in and improve stress testing capabilities as a core business process.

### **Risk Analytics and Reporting**

The Bank's Risk Analytics and Reporting Group continues to champion the development and entrenchment of integrated data architecture to enhance risk analytics and reporting within the enterprise-wide risk management (ERM) space in Access Bank. The Group has aligned its governance and functions to that of leading global financial institutions and also adopted full scope as seen in most jurisdictions where risk management is best practised.

The group's work affords decisions a critical depth and dimension via its risk measurement activities as it relates to data management and integration. The group is responsible for enhancing all core risk analytical and reporting functions that previously resided in the respective risk areas within our Enterprise-wide Risk Management (ERM), while the Bank's pre-defined governance structures in respect of the above-mentioned functions is retained by the respective risk groups.

The group remains the key driver in ensuring that Access Bank fully implements Basel II/III to the most advanced levels and in alignment with the Central Bank of Nigeria (CBN) Prudential Guidelines. The team is also responsible for the Internal Capital Adequacy Assessment Process (ICAAP), Stress Testing, Liquidity Risk measurement and other risk

measurement activities. The group aligns its reporting with the Bank's predefined government structure such as BRMC, BCC, ERM and ALCO.

The functional set up of the Risk Analytics and Reporting group is as follows:

- Data management and integration
- Integrated Risk Analytics
- Integrated Risk Reporting

### **Data Management and Integration.**

This unit is responsible for the development and maintenance of the enterprise risk data architecture with a roadmap geared to promoting data integrity, data quality and ensuring integration with risk analytics and reporting. The group has a data governance structure which enforces risk data governance and discipline across the Bank as well as data quality measurement metrics to reduce the Bank's risk exposure due to data quality issues.

An efficient structure has been put in place to ensure auto-reconciliation of data across risk and finance silos to improve timeliness and consistency of risk reporting. The group is in the process of developing a data structure model which will support the risk analytics and reporting activities, thus driving improvements.

### **Integrated Risk Analytics**

The group guides the analytical input into the implementation of various risk software and their on-going implementation in Credit risk, Market risk, Operational risk and other risk areas. The unit also drives the development as well as implementation of the internal and regulatory risk measurement methodology and models for the core risk elements; examples of the model are Rating models, Scoring models, Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD), among others.

The unit designs stress test models and implements the same on the Bank's portfolios and risk profile as well as comprehensive risk analyses to provide insight into all current Strategic Business Unit (SBU) risk profiles. The group also drives the full implementation of Basel II/III and manages the Internal Adequacy Assessment Process (ICAAP). In 2016, the group deepened the Risk Embedded Performance Management Framework as part of the process of maintaining and aligning behaviours with the Bank's moderate risk appetite. Business performance is thus monitored with a focus on financial performance and risk exposures being aligned with the Bank's risk appetite. The 2016 Budget was built with risk appetite as an integral part of the financial target determination. Varieties of triggers were employed and an automated process was created to efficiently track compliance with appetite and apply risk-based performance metrics to the various SBUs.

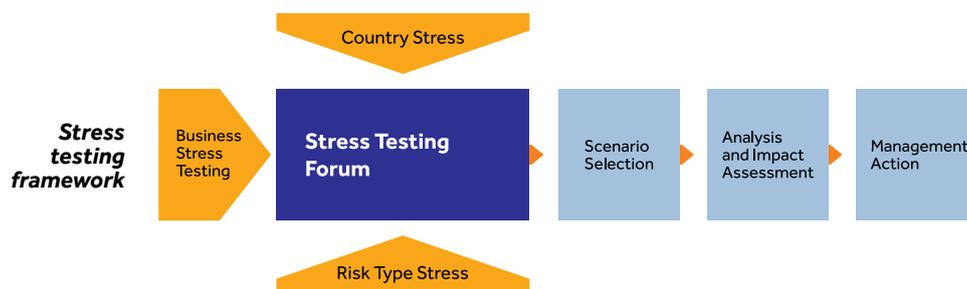
### **Integrated Risk Reporting.**

The group strives to improve all in-house analytical reporting of risk management in the Bank and stimulate a culture of data-driven analytical insights for every decision impacting all risk touch points in the risk management

process.

The quality of risk reporting was also enhanced in 2016 by deepening our automated risk reporting system known as the Risk Management Report Portal and the subsequent

inclusion of the Subsidiary Risk Management portal. This has led to easy and timely access to risk reports, provided early warning signals, better limit monitoring and better decision making for all units across risk management.



Our stress testing framework is designed to:

- contribute to the setting and monitoring of risk appetite
- identify key risks to our strategy, financial position, and reputation
- examine the nature and dynamics of the risk profile and assess the impact of stresses on our profitability and business plans
- ensure effective governance, processes and systems are in place to co-ordinate and integrate stress testing
- inform senior management
- ensure adherence to regulatory requirements

#### Risk Management Philosophy, Culture, Appetite and Objectives

Access Bank's Risk Culture Statement:

***At Access Bank, we embrace a moderate risk appetite, whilst delivering strategic objectives. We anticipate the risks in our activities. We reward behaviour that aligns with our core values, controls and regulations. Challenges are discussed in an open environment of partnership and shared responsibility.***

Access Bank's Risk Management philosophy and culture remain fundamental to the delivery of our strategic objectives. Risk Management is at the core of the operating structure of the group. We seek to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

The Bank's acclaimed risk management process has continued to achieve desired results as evidenced by improved risk ratios and independent risk ratings. In line with the Group's core value of excellence, the Group's risk management is continuously evolving and improving, given that there can be no assurance that all market developments, in particular those of extreme nature, can be fully anticipated at all times. Hence, executive management has remained closely involved with important risk management

initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, as well as managing the risk portfolios.

Risk management is fundamental to the Group's decision-making and management process. It is embedded in the role of all employees via the organizational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Access Bank considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterize how the Bank considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Bank's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

The Bank believes that its Enterprise-wide Risk Management Framework provides the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels to better understand and manage risks. This will ensure that:

- Risk acceptance is done in a responsible manner;
- The executive and the Board of the Bank have adequate risk management support;
- Uncertain outcomes are better anticipated;
- Accountability is strengthened; and
- Stewardship is enhanced.

The Bank identifies the following attributes as guiding principles for its risk culture.

- Management and staff:
  - Consider all forms of risk in decision-making;
  - Create and evaluate business-unit and Bank-wide risk profile to consider what is best for their individual business units/department and what is best for the Bank as a whole;
  - Adopt a portfolio view of risk in addition to understanding individual risk elements;
  - Retain ownership and accountability for risk and risk management at the business unit or other point of



- influence level;
  - Accept that enterprise-wide risk management is mandatory, not optional;
  - Strive to achieve best practices in enterprise-wide risk management;
  - Document and report all significant risks and enterprise-risk management deficiencies;
  - Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions;
  - Empower risk officers to perform their duties professionally and independently without undue interference;
  - Ensure a clearly defined risk management governance structure;
  - Ensure clear segregation of duties between market facing business units and risk management/control functions;
  - Strive to maintain a conservative balance between risk and profit considerations; and
  - Continue to demonstrate appropriate standards of behaviour in development of strategy and pursuit of objectives.
- Internalize and share the Bank's Risk Culture Statement and Pledge to affirm commitment to desired behaviours.
  - b) Risk officers' partners with other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.
  - c) The bank also partners with its customers to improve their attitudes to risk management and encourage them to build corporate governance culture into their business management
  - d) Risk management is governed by well-defined policies, which are clearly communicated across the Bank.
  - e) Equal attention is paid to both quantifiable and non-quantifiable risks.
  - f) The Bank avoids products and businesses it does not understand.



### Group risk oversight approach

Our risk governance framework, of which our risk appetite framework is a significant element, ensures the appropriate oversight of and accountability for the effective management of risk. Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

The Bank's risk management function provides a central oversight of risk management across the Bank to check that the full spectrum of risks facing the Bank are properly identified, measured, monitored and controlled in order to minimize adverse outcomes.

The function is complemented by the Financial Control and Strategy groups in the management of strategic and reputational risks.

The Group Chief Risk Officer coordinates the process of monitoring and reporting risks across the Bank. Internal Audit has the responsibility of auditing the risk management and control function to ensure that all units in the Bank perform their risk management roles effectively on a continuous basis. Audit also tests the adequacy of internal control and makes appropriate recommendations where there are weaknesses.

### Strategy and Business Planning

Risk management is integral in our business strategy and planning cycle. Testament to this is the embedding of risk management as one of our strategic priorities. By setting the business and risk strategy, we are able to determine appropriate capital allocation and target setting for the Group and each of our businesses.

All business units are required to consider the risk implications of their annual plans. These plans include analysis of the impact of objectives on risk exposure. Throughout the year, we monitored business performance regularly focusing both on financial performance and risk implications. The aim is to continue the process of integrating risk management into the planning and management process and to facilitate informed decisions.

Through ongoing review, the links between risk appetite, risk management and strategic planning are embedded in the business so that key decisions are made in the context of the risk appetite for each business unit.

### Risk Appetite

Risk appetite is an articulation and allocation of the risk capacity or quantum of risk Access Bank Group is willing to accept in pursuit of its strategy, duly set and approved by the executive committee and the Board, and integrated into our strategy, business, risk and capital plans. Risk appetite is set based on the Group's willingness and capacity to absorb potential losses arising from a range of potential outcomes under different stress scenarios.

The Bank defines its risk appetite in terms of both volatility of earnings and the maintenance of minimum regulatory capital requirements under stress scenarios. Our risk appetite can be expressed in terms of how much variability of return the Bank is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. We measure and express risk appetite qualitatively and in terms of quantitative risk metrics. The quantitative metrics include earnings at risk (or earnings volatility), liquidity and economic capital adequacy. In addition, a large variety of risk limits, triggers, ratios, mandates, targets and guidelines are in place for all the financial risks (e.g. credit, market and asset and liability management risks).

The Bank's risk profile is assessed through a 'bottom-up' analytical approach covering all of the Group's major businesses and products. The risk appetite is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix.

In 2016, the risk appetite metrics were tracked against approved triggers and exceptions were reported to management for prompt corrective actions. Key issues were also escalated to the Enterprise-wide Risk Management committee and the Board Risk Management Committee.

### Risk Management Objectives

The broad risk management objectives of the Bank are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost;
- To protect against unforeseen losses and ensure stability of earnings;
- To maximize earnings potential and opportunities;
- To maximize share price and stakeholder protection;

- To enhance credit ratings and depositor, analyst, investor and regulator perception; and
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions.

### Scope of Risks

The scope of risks that are directly managed by the Bank is as follows:

- Credit risk
- Operational risk
- Market and liquidity risk
- Legal and compliance risk
- Strategic risk
- Reputational risk
- Capital risk

These risks and the framework for their management are detailed in the Enterprise-wide Risk Management Framework.

### Responsibilities and Functions

The responsibilities of the Risk Management Division, the Financial Control and Strategy Group, and other key stakeholders with respect to risk management are highlighted below:

#### Risk Management Division

- a) Champion the implementation of the ERM Framework across the Bank and subsidiaries. Routinely share risk reports with management highlighting key risk areas, control failures and remedial action steps taken by management.
- b) Develop risk policies, principles, process and reporting standards that define the Bank's risk strategy and appetite in line with the Bank's overall business objectives.
- c) Ensure that controls, skills and systems are in place to enable compliance with the Bank's policies and standards, and with all regulatory requirement.
- d) Facilitate the identification, measurement, assessment, monitoring and control of the level of risks in the Bank.
- e) Embed risk culture in the Bank to ensure that everyone in the bank takes into consideration Access Bank risk appetite in whatever they do.
- f) Collect, process, verify, monitor and distribute risk information across the Bank and other material risk issues to senior management, the Board and regulators.
- g) Monitor compliance with bank-wide risk policies and limits.
- h) Empower Business unit risk champion to identify, monitor and report on the effectiveness of risk mitigation.



- tion plans in reducing risk incidence as related to day to day activities in the unit.
- i) Ensure that laws, regulations and supervisory requirements are complied with including consequence management.
  - j) Champion the implementation of Basel II and III.
  - k) Promote risk awareness and provide education on risk.
  - l) Provide assurance on compliance with internal and external policies with respect to risk management.

### Financial Control and Strategy

- a) Prepare and monitor the implementation of the Bank's Strategic Plan
- b) Conduct strategic and operational review of the Bank's activities
- c) Conduct regular scanning of the Bank's operating environment
- d) Coordinate and monitor the Bank's rating exercises by external rating agencies
- e) Prepare business intelligence reports for the Bank's management

- f) Prepare periodic management reports on subsidiaries and associates
- g) Perform competitive analysis in comparison with industry peers
- h) Conduct strategic/operational review of branches

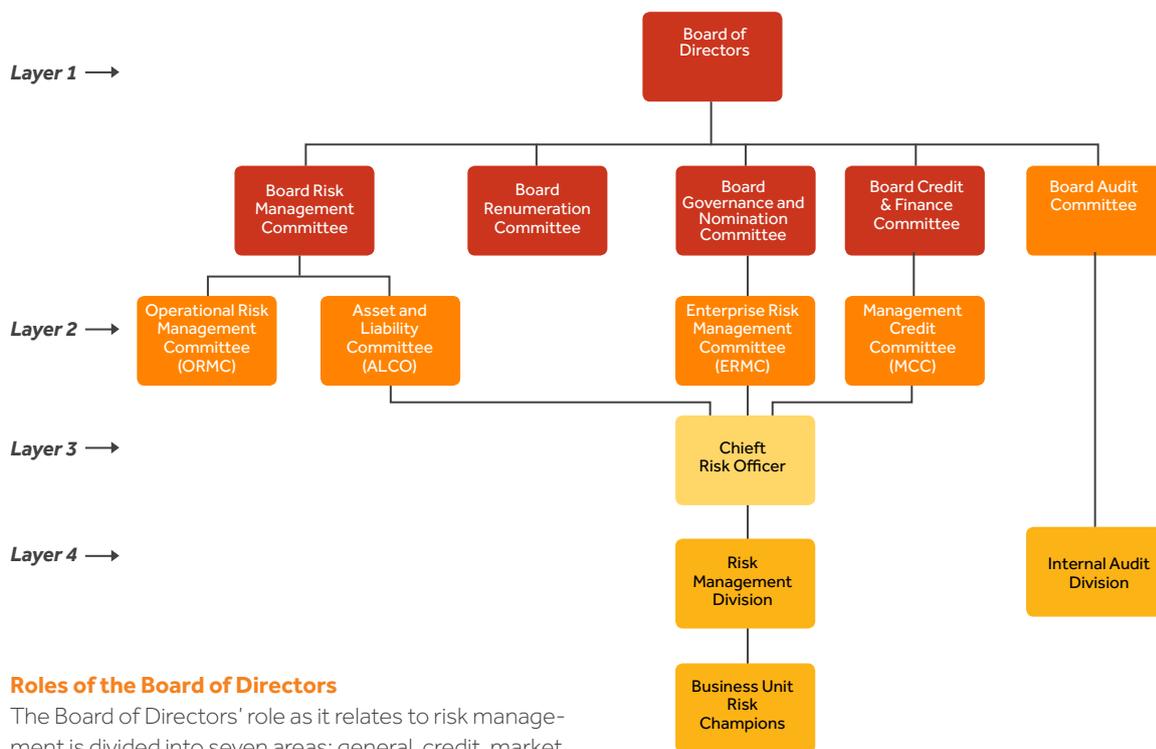
### Risk Management Governance Framework

The framework details Access Bank's risk universe and governance structure comprising three distinct layers:

1. The enterprise-wide risk management and corporate governance committee forums;
2. The executive management committees; and
3. Risk management responsibilities per risk area.

### Risk Management Governance Structure

Access Bank's Risk Management Governance Structure is depicted below.



### Roles of the Board of Directors

The Board of Directors' role as it relates to risk management is divided into seven areas; general, credit, market, compliance, operational, reputational and strategic risk. Specific roles in these areas are further defined below:

#### General

- a) Develop a formal enterprise-wide risk management framework;
- b) Review and approve the establishment of a risk management function that would independently identify, measure, monitor and control risks inherent in all risk-taking units of the Bank;
- c) Ratify the appointment of qualified officers to manage the risk management function;
- d) Approve and periodically review the Bank's risk

strategy and policies;

- e) Approve the Bank's risk appetite and monitor the Bank's risk profile against this appetite;
- f) Ensure that the management of the Bank has an effective ongoing process to identify risk, measure its potential impact and proactively manage these risks;
- g) Ensure that the Bank maintains a sound system of risk management and internal control with respect to:
  - Efficiency and effectiveness of operations
  - Safeguarding of the Banks assets (including information)

- Compliance with applicable laws, regulations and supervisory requirements
  - Reliability of reporting
  - Behaving responsibly towards all stakeholders
- h) Ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually;
  - i) Ensure that management maintains an appropriate system of internal control and review its effectiveness;
  - j) Ensure risk strategy reflects the Bank's tolerance for risk;
  - k) Review and approve changes/amendments to the risk management framework;
  - l) Review and approve risk management procedures and control for new products and activities; and
  - m) Periodically receive risk reports from management highlighting key risk areas, control failures and remedial action steps taken by management.

#### **Credit Risk**

- a) Approve the Bank's overall risk tolerance in relation to credit risk based on the recommendation of the Group Chief Risk Officer;
- b) Ensure that the Bank's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly review of various types of credit exposure;
- c) Ensure that top management as well as individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;
- d) Ensure that the Bank implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk;
- e) To put in place effective internal policies, systems and controls to identify, measure monitor, and control credit risk concentrations.
- f) Ensure that detailed policies and procedures for credit risk exposure creation, management and recovery are in place; and
- g) Appoint credit officers and delegate approval authorities to individuals and committees.

#### **Market Risk**

- a) Define the Bank's overall risk appetite in relation to market risk;
- b) Ensure that the Bank's overall market risk exposure is maintained at levels consistent with the available capital;
- c) Ensure that top management as well as individuals responsible for market risk management possess sound expertise and knowledge to accomplish the risk management function;
- d) Approve the Bank's strategic direction and tolerance level for liquidity risk;
- e) Ensure that the Bank's senior management has the ability and required authority to manage liquidity risk;
- f) Approve the Bank's liquidity risk management framework; and
- g) Ensure that liquidity risk is identified, measured, moni-

toed and controlled.

#### **Compliance Risk**

- a) Approve the Bank's code of conduct and ethics;
- b) Monitor the Bank's compliance with laws and regulations, its code of conduct and ethics and corporate governance practices;
- c) Ensure new and changed legal and regulatory requirements are identified, monitored and reflected in Bank processes;
- d) Approve the compliance structure, mechanisms and processes established by management to ensure compliance with current laws, regulations and supervisory requirements; and e) Ensure the Bank has a compliance culture that contributes to the overall objective of risk management

#### **Operational Risk**

- a) Oversee the overall governance of the Bank's operational risk management process;
- b) Set the Bank's operational risk strategy and direction in line with the Bank's corporate strategy;
- c) Approve the Bank's operational risk management framework;
- d) Periodically review the framework to ensure its relevance and effectiveness;
- e) Ensure that senior management is performing its risk management responsibilities; and
- f) Ensure that the Bank's operational risk management framework is subject to effective and comprehensive internal audit by operationally independent, appropriately trained and competent staff.

#### **Reputational Risk**

- a) Set an appropriate tone and guidelines regarding the development and implementation of effective reputation risk management practices, including an explicit statement of a zero tolerance policy for all unethical behaviour;
- b) Approve the Bank's framework for the identification, measurement, control and management of reputational risk;
- c) Monitor the Bank's compliance with its reputational risk management policies and recommend sanctions for material breaches of internal policies;
- d) Review all exception reports by external parties such as regulators and auditors; ensure that appropriate sanctions are applied to erring officers; demand from management appropriate explanations for all exceptional items; ensure that management puts in place effective and remedial actions and reports on progress to the Board on an on-going basis;
- e) Ensure that Board members do not compromise their fit and proper status with regulators. They shall ensure that only Board members who do not tarnish the Bank's image and reputation remain as members; and
- f) Ensure that only fit and proper persons are appointed to senior management positions in the Bank.

#### **Strategic Risk**

- a) Oversee the strategic risk management process.



- b) Ensure that the bank has in place an appropriate strategic risk management framework which suits its own circumstances and needs;
- c) Ensure that the strategic goals and objectives are set in line with its corporate mission and values, culture, business direction and risk tolerance;
- d) Approve the strategic plan (including strategies contained therein) and any subsequent changes, and review the plan (at least annually) to ensure its appropriateness;
- e) Ensure the organization's structure, culture, infrastructure, financial means, managerial resources and capabilities, as well as systems and controls are appropriate and adequate to support the implementation of its strategies.
- f) Review high-level reports periodically submitted to the Board on the overall strategic risk profile, and ensure that any material risks and strategic implications identified from those reports are properly addressed; and
- g) Ensure that senior management is competent in implementing strategic decisions approved by the Board,

and supervising such performance on a continuing basis

### The Board and management committees

The Board of director is the highest approval authority for credit risk policies and credit facilities in Access Bank. It carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board has five standing committees namely: the Board Risk Management Committee, the Board Audit Committee, the Board Governance and Nomination Committee, the Board Credit & Finance Committee and Board Remuneration Committee.

The management committees which exist in the Bank include: The Executive Committee (EXCO), Enterprise-wide Risk Management Committee (ERMC), Management Credit Committee (MCC), Group Asset & Liability Committee (Group ALCO), and Operational Risk Management Committee (ORMC).

Without prejudice to the roles of these committees, the full Board retains ultimate responsibility for risk management.

## CREDIT RISK MANAGEMENT

Credit risk arises from the failure of an obligor of the Bank to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. This risk is compounded if the assigned collateral only partly covers the claims made to the borrower, or if its valuation is exposed to frequent changes due to changing market conditions (i.e. market risk).

The Bank's Risk Management philosophy is that moderate and guarded risk attitude will ensure sustainable growth in shareholder value and reputation. Extension of credit in Access Bank is guided by its Credit Risk and Portfolio Management Plan, which sets out specific rules for risk origination and management of the loan portfolio. The Plan also sets out the roles and responsibilities of different individuals and committees involved in the credit process. We recognise the fact that our main asset is our loan portfolio. Therefore, we actively safeguard and strive to continually improve the health of our loan portfolio. We scrutinize all applications and weed out potential problem loans during the loan application phase, as well as constantly monitor existing loan portfolio.

The goal of the Bank is to apply sophisticated but realistic credit models and systems to monitor and manage credit risk. Ultimately these credit models and systems are the foundation for the application of internal rating-based approach to calculation of capital requirements. The development, implementation and application of these models

are guided by the Bank's Basel II strategy.

The pricing of each credit granted reflects the level of risks inherent in the credit. Subject to competitive forces, Access Bank implements a consistent pricing model for loans to its different target markets. The client's interest is guarded at all times, and collateral quality is never the sole reason for a positive credit decision.

Provisions for credit losses meet IFRS and Prudential Guidelines set forth by the Central Bank of the countries where we operate, both for loans for which specific provisions exist as well as for the portfolio of performing loans. Access Bank's credit process requires rigorous proactive and periodic review of the quality of the loan portfolio. This helps us to identify and remediate credit issues proactively.

The Criticized Assets Committee performs a quarterly review of loans with emerging signs of weakness; the Management Credit Committee and the Board Credit Committee also perform reviews of the quality of our loan portfolio on a quarterly basis. These are in addition to daily reviews performed by the various Head of Risk within the Credit Risk Management Groups.

### Principal Credit Policies

The following are the principal credit policies of the Bank: Credit Risk Management Policy: The core objective is to enable maximization of returns on a risk adjusted basis

from banking book credit risk exposures that are brought under the ambit of Credit Risk Management Policy by putting in place robust credit risk management systems consisting of risk identification, risk measurement, setting of exposure & risk limits, risk monitoring & control and reporting of credit risk in the banking book.

**Credit Risk Mitigant Management Policy:** The objective is to aid in effective credit portfolio management through mitigation of credit risks by using credit risk mitigation techniques.

**Credit Risk Rating Policy:** The objective of this policy is to ensure reliable and consistent Obligor Risk Ratings (ORRs) and Facility Risk Ratings (FRRs) throughout Access Bank and to provide guidelines for risk rating for retail and non-retail exposures in the banking book covering credit and investment books of the Bank.

**Country and Cross Border Risk Management Policy:** The objective of this policy is to establish a consistent framework for the identification, measurement and management of country risk across Access Bank.

**Internal Capital Adequacy Assessment Process (ICAAP) Policy:** The objectives of the policy are identification of material risks, measurement of material risks, monitoring & control of material risks and reporting of material risks.

**Enterprise-wide Risk Management Policy:** The core objective is to provide reasonable degree of assurance to the Board of Directors that the risks threatening the Bank's achievement of its vision are identified, measured, monitored and controlled through an effective integrated risk management system covering credit, market, operational, interest rate, liquidity and other material risks.

### **Responsibilities of Business Units and Independent Credit Risk Management**

In Access Bank, Business units and independent credit risk management have a joint responsibility for the overall accuracy of risk ratings assigned to obligors and facilities. Business Relationship Managers are responsible for deriving the ORR and FRR using approved methodologies as set out in this policy, however independent credit risk management will validate such ratings.

Notwithstanding who derives the risk rating, Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR and FRR assigned to a borrower and facilities. This review includes ensuring the ongoing consistency of the business' Risk Rating Process with Access Bank Risk Rating Policy; ongoing appropriate application of the Risk Rating Process and tools; review of judgmental and qualitative inputs into the Risk Rating Process; ensuring the timeliness and thoroughness of risk rating reviews; and ensuring that the documentation of the Risk Rating Process is complete and current.

Credit Risk Management has the final authority if there is a question about a specific rating. The Business units are responsible for the performance of the facilities granted.

### **Credit Process**

The Bank's credit process starts with portfolio planning and target market identification. Within identified target markets, credits are initiated by relationship managers. The proposed credits are subjected to review and approvals by applicable credit approval authorities. Further to appropriate approvals, loans are disbursed to beneficiaries.

On-going monitoring management of loans is undertaken by relationship management teams and supported by our Credit Risk Management Group. The process is applied at the Head Office and in the Subsidiaries.

If a preliminary analysis of a loan request by the account manager indicates that it merits further scrutiny, it is then analyzed in greater detail by the account manager, with further detailed review by Credit Risk Management. The concurrence of Credit Risk Management must be obtained for any credit extension. If the loan application passes the detailed analysis, it is then submitted to the appropriate approval authority for the size and risk rating of facilities. The standard credit evaluation process is based both on quantitative figures from the Financial Statements and on an array of qualitative factors. Factual information on the borrower is collected as well as pertinent macroeconomic data, such as an outlook for the relevant sector, etc. These subjective factors are assessed by the analyst and all individuals involved in the credit approval process, relying not only on quantitative factors but also on extensive knowledge of the company in question and its management.

### **Credit Risk Measurement Risk Rating Methodology**

The credit rating of the counterparty plays a fundamental role in final credit decisions as well as in the terms offered for successful loan applications. Access Bank employs a robust credit rating system based on international best practices (including Basel II recommendations) in the determination of the Obligor and Facility rating and thus allows the bank to maintain its asset quality at a desired level.

In Access Bank, the objective of the Risk Rating Policy is to ensure reliable and consistent Obligor Risk Ratings ('ORRs') and Facility Risk Ratings ('FRRs') throughout the Bank and to provide guidelines for risk rating for retail and non-retail exposures in the bank.

The Risk Rating Policy incorporates credit risk rating models which estimate risk of obligor default and facility risks (covering both recovery as well as exposure risk). These models are currently based on bespoke templates and expert judgment for Retail and Non-Retail Exposures. We are in the process of implementing the Internal Rating Based ("IRB") approach. The data required to facilitate the IRB approach are in place and the models are being finalized in partnership with our consultants.

All Access Bank businesses that extend credit are subject to the Risk Rating Policy.



### Credit Risk Rating Models in Access Bank Plc

The following are the credit risk rating models deployed by Access Bank.

#### For Retail Exposures:

Obligor Risk Rating (ORR) Models have been developed for:

1. Personal Loans
2. Credit Cards
3. Auto Loans
4. Mortgage Loans

Facility Risk Rating (FRR) Models have been developed for:

1. Loss Given Default (LGD)
2. Exposure at Default (EAD)

#### For Non – Retail Exposures:

Obligor Risk Rating (ORR) Models have been developed for:

1. Sovereign (Approach to rating Sovereign Exposures using External ratings)
2. Bank and NBFIs
3. Corporate
  - Manufacturing Sector
  - Trading Sector
  - Services Sector
  - Real Estate Sector
4. Small and Medium Enterprises (SME) Without Financials

Facility Risk Rating (FRR) Models have been developed for

1. Loss Given Default (LGD)
2. Exposure at Default (EAD)

#### Risk Rating Process

In Access Bank, all businesses must have a documented and approved Risk Rating Process for deriving risk ratings for all obligors and facilities (including those covered under Credit Programs). The Risk Rating Process is the end-to-end process for deriving ORRs and FRRs and includes models, guidelines, support adjustments, collateral adjustments, process controls, as well as any other defined processes that a business undertakes in order to arrive at ORRs and FRRs. Risk rating process of each business must be in compliance with the Bank's Risk rating Policy and deviations must be explicitly approved.

Establishing the Risk Rating Process is the joint responsibility of the Business Manager and the Credit Risk Manager associated with each business. The process must be documented and must be approved by the Management Credit Committee.

The Risk Rating Process for each business must be reviewed and approved every three years, unless more frequent review is specified as a condition of the approvals. Interim material changes to the Risk Rating Process, as determined by the Credit Risk Manager for the business, must be re-approved.

#### Risk Rating Scale and external rating equivalent

Access Bank operates a 12-grade numeric risk rating scale. The risk rating scale runs from 1 to 8. Rating 1 represents

the best obligors and facilities and rating 8 represents the worst obligors and facilities. The risk rating scale incorporates sub-grades and full grades reflective of realistic credit migration patterns. The risk rating scale and the external rating equivalent is shown below:

Access Bank Risk Rating	External Long term equivalent	Grade
1	AAA	Investment Grade
2+	AA	
2	A	
2-	BBB	Standard Grade
3+	BB+	
3	BB	
3-	BB-	Non Investment Grade
4	B	
5	B	
6	B-	
7	C	
8	D	

#### Credit Risk Control & Mitigation Policy

Authority Limits on Credit

The highest credit approval authority is the Board of Directors, supported by the Board Credit Committee and further by the Management Credit Committee. Individuals are also assigned credit approval authorities in line with the Bank's criteria for such delegation set out in its Credit Risk and Portfolio Management Plan. The principle of central management of risk and decision authority is maintained by the Bank. The maximum amount of credit that may be approved at each subsidiary is limited, with amounts above such limit being approved at the Head Office.

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, credit insurance, credit derivatives and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Where appropriate, credit derivatives are used to reduce credit risks in the portfolio. Due to their potential impact on income volatility, such derivatives are used in a controlled manner with reference to their expected volatility.

Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types.

This structure gives Access Bank the possibility to incor-

porate much needed local expertise, but at the same time manage risk on a global level. Local Credit Committees of the Bank's subsidiaries are thus able to grant credits, but the sum total of the exposure of the applicant and financially related counterparties is limited, most commonly by the subsidiary's capital. All applications that would lead to exposures exceeding the set limit are referred to the appropriate approval authority in the Head Office.

The credit approval limits of the principal officers of the Group are shown in the table below

Authority	Approval Limit
Group Managing Director	N300,000,000
Group Deputy Managing Director	N200,000,000
Group Executive Director	N100,000,000
Managing Directors of the Bank's subsidiaries (Highest subsidiary MD limit)	N65,000,000

In addition, approval and exposure limits based on internal Obligor Risk Ratings have been approved by the Board for the relevant credit committees as shown in the table below

	External Credit Rating	Board of Directors	Board Credit Committee Approval Limit	Management Credit Committee Approval Limit
1	AAA	Single Obligor	N30 Billion	N15 Billion
2+	AA	Single Obligor	N25 Billion	N12.5 Billion
2	A	Single Obligor	N10 Billion	N2 Billion
2-	BBB	Single Obligor	N10 Billion	N1 Billion
3+	BB+	Single Obligor	N10 Billion	N500 Million
3	BB	Single Obligor	N10 Billion	N500 Million
3-	BB-	Single Obligor		Above N200 Million
4	B	Single Obligor		
5	B-	Single Obligor		

### Collateral Policies

It is the Group's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure or transferring it to counterparty, at facility level, by a safety net of tangible and realizable securities including approved third-party guarantees/ insurance.

In Access Bank, strategies for risk reduction at the transaction level differ from that at the portfolio level. At transaction level, the most common technique used by the bank is the collateralization of the exposures, by first priority claims or obtaining a third party guarantee. For all credit risk mitigants that meet the policy criteria, a clear set of procedures are applied to ensure that the value of the underlying collateral is appropriately recorded and updated regularly.

Collateral types that are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed

assets such as motor vehicles, aircraft, plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit.

Other techniques include buying a credit derivative to offset credit risk at transaction level. At portfolio level, asset securitisation, credit derivatives etc. are used to mitigate risks in the portfolio.

However the primary consideration for approving credits is hinged largely on the obligor's financial strength and debt-servicing capacity. The guidelines relating to risk mitigant as incorporated in the guidance note of BCBS on "Principles for the Management of Credit Risk" (September 2000, Paragraph 34) are taken into consideration while using a credit risk mitigant to control credit risk. As it states below:

"Bank can utilize transaction structure, collateral and guarantees to help mitigate risks (both identified and inherent) in individual credits but transactions should be entered into primarily on the strength of the borrower's repayment capacity. Collateral cannot be a substitute for a comprehensive assessment of the

borrower or the counterparty, nor can it compensate for the insufficient information. It should be recognized that any credit enforcement actions (e.g. foreclosure proceedings) can eliminate the profit margin on the transaction.

In addition, Banks need to be mindful that the value of collateral may well be impaired by the same factors that have led to the diminished recoverability of the credit.

The range of collaterals acceptable to the Bank includes:

- Cash / Deposit (domestic and foreign currency) with bank including certificates of deposit or comparable instruments issued by the bank.
- Certificates of Deposit from other banks.
- Commodities.
- Debt securities issued by sovereigns and public-sector enterprises.
- Debt securities issued by banks and corporations.
- Equities - Stocks / Share Certificates of quoted blue chip companies
- Mortgage on Landed Property
- Asset-backed securities.
- Charge on assets (Fixed and/or Floating) - premises/ inventory/ receivables/ merchandise/ plant/ machinery etc.
- Negative Pledges
- Lien on Asset being financed
- Stock Hypothecation



- Shipping Documents (for imports)
- Bankers Acceptance
- Life Assurance Policies

Master Netting Arrangements Traded Products  
Credit risk from traded products is managed within the overall credit risk appetite for corporates and financial institutions.

The credit risk exposure from traded products is derived from the positive mark-to-market value of the underlying instruments, and an additional component to cater for potential market movements.

For derivative contracts, we limit our exposure to credit

losses in the event of default by entering into master netting agreements with certain counterparties. As required by IAS 32, exposures are only presented net in the financial statement if there is a legal right to offset and the assets/liabilities will be settled simultaneously.

#### Provisioning policy

A loan or loan portfolio is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the loan or loan portfolio that can be reliably estimated.

## MARKET RISK MANAGEMENT

### Definition

A Bank may be faced with the risk of decline in its earnings and capital arising from adverse changes in market variables; such as interest rate and foreign exchange rate. Market Risk is the risk that the value of on/off-balance sheet positions will be adversely affected by movements in equity prices, interest rates, currency exchange rates and commodity prices. Access Bank is exposed to market risk through the positions created in its trading and banking books.

### Market risk policy, management and control

Over the years, the Nigerian financial market has witnessed a dramatic expansion in the array of financial services and products. This tremendous growth in scale and scope has also generated new risks with global consequences, especially market risk, necessitating an assessment of exposures to the volatility of the underlying risk drivers.

These developments have prompted a comprehensive and dynamic Market Risk Policy, ALM Policy, Liquidity Policy, Stress Testing Policy, e.t.c. to ensure that risks faced across business activities and on an aggregate basis are within the stipulated risk appetite of the Bank. These policies have been benchmarked with industry and international best practices, and CBN regulations.

The Board approves the risk appetite for trading and non-trading activities and risk limits are set within the context of the approved market risk appetite. Limits are set based on the approved risk appetite, underlying liquidity as well as legal limitations on individual positions imposed by the regulatory authorities in Nigeria. The specific limits are proposed by the Group Head, Market Risk Management and the Bank's Chief Risk Officer and approved by the Bank's Executive Management, relevant management committees, and ultimately by the Board.

The Bank runs a state-of-the-art integrated and straight through processing treasury system for enabling better

measuring, monitoring and managing interest rate and foreign exchange risks in the bank. Liquidity, Exchange Rate, and Interest Rate risks are managed through various metrics viz. Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Liquidity Ratios, Value at Risk (VaR), Earnings at Risk (EaR) and Sensitivity Analysis. The primary aim of these processes is risk forecasting and impact mitigation through management action and portfolio rebalancing. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees viz. Enterprise-wide Risk Management Committee, Asset Liability Committee and the Board Risk Management Committee. The Risk Committees receive daily/weekly risk dashboard and monthly/quarterly reports which are presented at the committee meetings. Depending on the market conditions and risk outlook, recommendations are made to the risk management committees in respect of the market risk profile, risk appetite appraisal; as well as review of limits against actual position.

The Bank regularly conducts stress testing to monitor its vulnerability to unfavorable shocks. It monitors and controls its risk, using various internal and regulatory risk limits for trading book and banking book which are set according to a number of criteria including economic scenario, business strategy, management experience, peer analysis and the Bank's risk appetite.

In line with the CBN circular on new capital adequacy framework, Access Bank has adopted the standardised duration approach for market risk and has obtained Board approval for the policy on Internal Capital Adequacy Assessment Process (ICAAP). This policy defines and sets processes to review and improve the techniques used for identification, measurement and assessment of all material risks and resultant capital requirements.

Also, the Bank has put in place a detailed plan for the full implementation for the Basel II & III frameworks and has also put in place a road map for the migration to more advanced capital computation method which factors in the

actual loss experience of the Bank.

### Non-trading portfolio

The principal objective of Market Risk Management of non-trading portfolios is to optimize net interest income. Due to the size of the Bank's holdings in rate-sensitive assets and liabilities, a major area of market risk exposures in the bank is the interest rate on the banking book. This risk arises from the mismatch between the future yield on assets and their funding cost, as a result of interest rate changes. The Bank uses a variety of tools to track and manage this risk:

- Re-pricing gap analysis (which allows the Bank to maintain a positive or negative gap depending upon the forecast of interest rate position). The size of the gap is then adjusted to either hedge net interest income against changing interest rates or to anticipate increase net interest income, in line with market outlook.
- Liquidity gap analysis
- Earnings-at-Risk (EAR) using various interest rate forecasts
- Sensitivity Analysis

### Interest rate risk

Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates, yield curves and credit spreads. The Bank is exposed to interest rate risk through the interest bearing assets and liabilities in its trading and banking books.

### Re-pricing and Liquidity Gap Analysis

Access Bank's objective for management of interest rate risk in the banking book is to ensure a higher degree of interest rate mismatch margin stability and lower interest rate risk over an interest rate cycle. This is achieved by hedging material exposures with the external market.

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rated assets and liabilities, the Bank is also exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices, such as the savings rate and 90-day NIBOR and different types of interest.

Non-traded interest rate risk arises in the banking book from the provision of retail and wholesale (non-traded) banking products and services, as well as from certain structural exposures within the Group balance sheet, mainly due to re-pricing timing differences between assets, liabilities and equity. These risks impact both the earnings and the economic value of the Group. Overall non-trading interest rate risk positions are managed by Treasury, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the Group's non-trading activities.

### Earnings-at-Risk (EAR) Approach

The principal tool used to measure and control market risk exposure within the Group's trading portfolios is the open position limits using the Earnings at Risk approach. Specified limits have been set for open positions limits, which are the expected maximum exposure the Group is to be exposed to. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Bank's business strategies.

Interest-rate risk is monitored centrally with a Gap report. A limits framework is in place to ensure that retained risk remains within approved appetite. Interest rate risk also arises in each of the Africa subsidiary treasuries in the course of balance sheet management and facilitating customer activity. The risk is managed by local treasury functions, subject to modest risk limits and other controls.

### Sensitivity Analysis and Stress Testing

Sensitivity analysis and stress testing are risk measurement techniques that help us ensure that the risks the Bank takes remain within our risk appetite and that our level of capital remains adequate. Sensitivity analysis involves varying a single factor (e.g. a model input or specific assumption) to assess the impact on various risk measures. Stress testing generally involves consideration of the simultaneous movements in a number of risk factors. It is used to measure the level of potential unexpected losses for Credit, Market (both trading and non-trading), Operational and Liquidity Risks.

Under potential adverse conditions, stress testing plays an important role in supporting overall capital management and adequacy assessment processes. Our enterprise-wide stress testing programme utilizes stress scenarios featuring a range of severities based on unlikely but possible adverse market and economic events. These common stress scenarios are evaluated across the organization, and results are integrated to develop an enterprise-wide view of the impacts on our financial results and capital requirements. This programme uses macro-economic projections and applies them as stress impacts on the organisation viz-a-viz the various risk types.

### Trading portfolio

The measurement/control techniques used to measure and control traded market risk (interest rate and foreign exchange risk) include daily valuation of positions, limit monitoring, gap analysis, sensitivity analysis, Value at Risk, tail risk, stress testing, e.t.c.





## Limits

Specific limits and triggers (regulatory and in-house) have been set across the various market risk areas to prevent undue exposure and the market risk management group ensure that these limits and triggers are adhered to by the bank. The following limits currently exist;

Fixed income and FX Open Position Limits (OPL): The Bank, in keeping with the prudency concept, sets its policy limit for Open Position at a level lower than the maximum OPL approved by the regulatory authority. In setting the internal OPL, the following considerations are imperative:

- The Regulatory OPL;
- The Bank's tolerance and appetite for FX risk;
- The size and depth of the FX market in Nigeria;
- The degree of volatility of traded currencies; and
- The Bank's desired positioning in the relevant FX market with requirements for international business support.

Interbank placement and takings Limit: In line with Banks drive to be a top liquidity provider in the financial market, stringent controls have been set to ensure that any takings from interbank are preceded by proper authorization, to reduce the risks that come with huge interbank borrowing.

Management Action Trigger (MAT): This establishes decision points to confirm the Board of Directors' tolerance for accepting trading losses on a cumulative basis. MAT therefore, takes into account actual cumulative profit/loss as well as potential losses and the loss tolerance is defined as a percentage of Gross Earnings.

Stop Loss Limit: This limit sets a maximum tolerable unrealized profit/loss to date which will trigger the closing of a position in order to avoid any further loss based on existing exposures. Positions are liquidated uniformly when stop loss limits are breached.

Dealer Limits: This limit sets a maximum tolerable unrealized profit/loss to date based on existing exposures for a specific dealer. Positions are liquidated uniformly when the dealer stop limit is breached independent of the global stop loss limit.

Value-at-Risk Limit: The normal VaR of the portfolio will be the Naira loss that will be exceeded 1% of the time over a one day horizon. The time period may be changed depending on the volume of position held and current market realities. The Bank maintains a VaR limit for defined 99.1% confidence level and holding period of 1 day.

These risk limits are set and reviewed at least annually to control Access Bank's trading activities in line with the defined risk appetite of the Group. Criteria for setting risk limits include relevant market analysis, market liquidity and business strategy. Trading risk limits are set at an aggregate, risk category and lower levels and are expressed in terms of VaR. This is further supported by a comprehensive set of non-VaR limits, including foreign exchange position limits, stop loss limits and Management Action

Triggers. Appropriate performance triggers are also used as part of the risk management process.

## Mark-to-Market (MTM)

The marking-to-market technique establishes historical profit/loss by revaluing money market exposures to prevailing market prices. When no market prices are available for a specific contract period, mark-to-model is used to derive the relevant market prices; it is the Bank's policy to revalue all exposures categorized under the securities trading portfolio on a daily basis. As a general guide, marking to market is performed independently of the trading unit i.e. prices/rates are obtained from external sources.

## Value at Risk (VaR)

Risk of losses arising from future potential adverse movements in market rates, prices and volatilities are measured using a VaR methodology. VaR, in general, is a quantitative measure of market risk that applies recent historic market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level.

VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcome. To assess their predictive power, VaR models are back tested against actual results.

Access Bank uses an internal VaR model based on the historical simulation method. Two years of historical price and rate data is applied and updated daily. This internal model is also used for measuring value at risk over both a one-day and 10-day holding period at a 99% confidence level. This model covers general market (position) risk across all approved interest rate and foreign exchange products.

There are a number of considerations that should be taken into account when reviewing VaR numbers. These are as follows: Historical simulation assumes that the past is a good representation of the future. This may not always be the case. The assumed time horizon will not fully capture the market risk of positions that cannot be closed out or hedged within this time horizon.

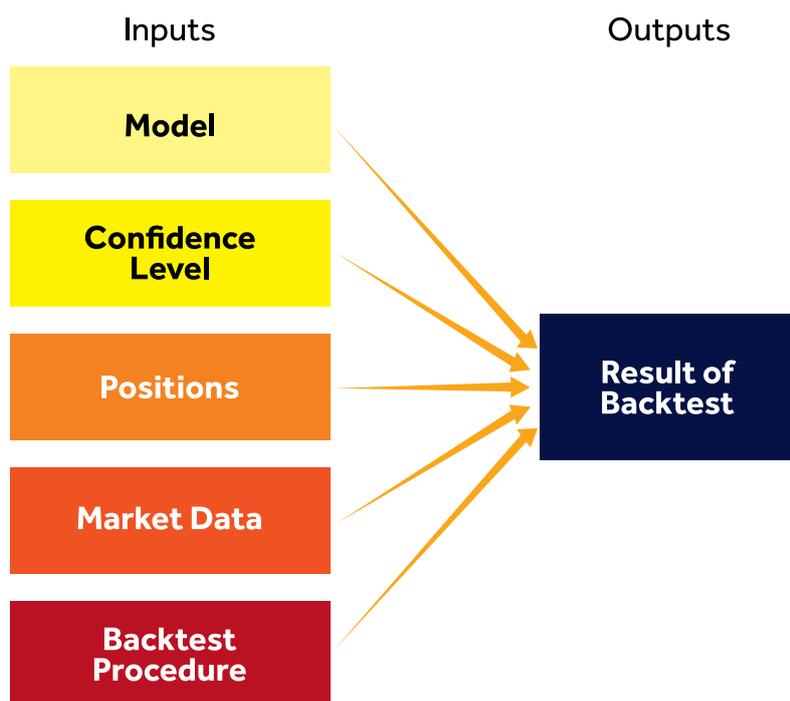
VaR does not indicate the potential loss beyond the selected percentile.

## Intra-day risk is not captured.

Prudent valuation practices are used in the VaR calculation when there is difficulty obtaining rate/price information. To complement VaR, stress testing and other sensitivity measures are used.

## Back Testing

The VaR model is an important market risk measurement and control tool and consequently the performance of the model is regularly assessed for continued suitability. The main approach employed is a technique known as back testing, which counts the number of days when daily trading losses exceed the corresponding VaR estimate.



The standard for back testing is to measure daily losses against the VaR measurement assuming a one-day holding period and a 99% level of confidence. The green zone of four or less exceptions over a 12-month period is consistent with a good working VaR model. Back testing reports are produced regularly.

#### Stress Testing

A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs.

Losses beyond the confidence interval are not captured

by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. Market Risk complements the VaR measurement by regular stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. Stress testing provides an indication of the potential size of losses that could arise in extreme conditions. It helps to identify risk concentrations across business lines and assist senior management in capital planning decisions.

The Bank performs two main types of stress/scenario testing. Firstly, risk factor stress testing, where extended historical stress moves are applied to each of the main risk categories, which include interest rate, equity, foreign exchange, commodity and credit spread risk. Secondly, the trading book is subjected to multi-factor scenarios that simulate past periods of significant market disturbance and hypothetical extreme yet plausible events.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. Regular stress test scenarios are applied to interest rates, credit spreads, exchange rates, commodity prices and equity prices. Ad hoc scenarios are also prepared reflecting specific market conditions and for particular concentrations of risk that arise within the businesses.

## LIQUIDITY RISK MANAGEMENT

Liquidity risk arises when the Bank is unable to meet expected or unexpected current or future cash flows and collateral needs without affecting its daily operations or its financial condition. The Bank is managed to preserve a high degree of liquidity so that it can meet the requirements of its customers at all times including periods of financial stress.

The Bank has developed a liquidity management framework based on a statistical model underpinned by conservative assumptions with regard to cash inflows and the liquidity of liabilities. In addition, liquidity stress tests assuming extreme withdrawal scenarios are performed. These stress tests specify additional liquidity requirements to be met by holdings of liquid assets.

The Bank's liquidity has consistently been materially above

the minimum liquidity ratio and the requirements of its stress tests. Global funding and liquidity risk management activities are centralized within Corporate Treasury. We believe that a centralized approach to funding and liquidity risk management enhances our ability to monitor liquidity requirements, maximize access to funding sources, minimize borrowing costs and facilitate timely responses to liquidity events. We analyze and monitor our liquidity risk, maintain excess liquidity and access diverse funding sources including our stable deposit base.

The Board approves the Bank's Liquidity Policy and Contingency Funding Plan, including establishing liquidity risk tolerance levels. The Group ALCO, in conjunction with the Board and its committees, monitors our liquidity position and reviews the impact of strategic decisions on our liquidity. Liquidity positions are measured by calculating the



Bank's net liquidity gap and by comparing selected ratios with targets as specified in the liquidity risk management manual.

### Quantifications

Access Bank has adopted both qualitative and quantitative approaches to measuring liquidity risk. Specifically, the Bank adopted the following approaches;

- a) Funding and Liquidity plan;
- b) Gap Analysis; and
- c) Ratio Analysis.

The Funding and Liquidity plan defines the Bank's sources and channels of utilization of funds. The funding liquidity risk limit is quantified by calculating liquidity ratios and measuring/monitoring the cumulative gap between our assets and liabilities. The Liquidity Gap Analysis quantifies the daily and cumulative gap in a business as usual environment. The gap for any given tenor bucket represents the borrowings from, or placements to, the market required to replace maturing liabilities or assets. The Bank monitors the cumulative gap as a + or – 20% of the total risk assets and the gap as a + or – 20% of total deposit liabilities.

### Limit management and monitoring

Active management of liquidity through the framework of limits and control presented above is possible only with proper monitoring capabilities. The monitoring process focuses on funding portfolios, the forward balance sheet and general indicators; where relevant information and data are compared against limits that have been established. The Bank's Group Treasury is responsible for maintaining sufficient liquidity by maintaining sufficient high ratio of liquid assets and available funding for near-term liabilities. The secured liquidity measure is calculated and monitored

by risk management. Increased withdrawals of short-term funds are monitored through measurements of the deposit base in the Bank. Liquidity risk is reported to the Board of Directors on a quarterly basis.

### Contingency Funding Plan

Access Bank has a contingency funding plan which incorporates early warning indicators to monitor market conditions. The Bank monitors its liquidity position and funding strategies on an ongoing basis, but recognizes that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause either a short or long-term liquidity crisis. It reviews its Contingency Funding Plan in the light of evolving market conditions and stress test results.

To monitor liquidity and funding, the Group Treasury prepares a liquidity worksheet that project sources and uses of funds. The worksheet incorporates the impact of moderate risk and crisis situations. The worksheet is an integral component of the Contingency Funding Plan. Although it is unlikely that a funding crisis of any significant degree could materialize, we consider it important to evaluate this risk and formulate contingency plans should one occur.

The Contingency Funding Plan covers: the available sources of contingent funding to supplement cash flow short-ages; the lead times to obtain such funding; the roles and responsibilities of those involved in the contingency plans; and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long-term funding crises are addressed in the Contingency Funding Plan.

## COMPLIANCE RISK MANAGEMENT

The Bank organizes its compliance function and sets priorities for the management of its compliance risk in a way that is consistent with its own risk management strategy and structures.

The implementation of our compliance function transformation which we commenced in 2015 has reached an advanced stage. A new governance structure designed to enhance our competitiveness has been established and the re-designation and migration of some activities/functions has begun. We are happy to note that the Central Bank of Nigeria has approved our Cluster Branch Compliance structure which has significantly impacted on the way compliance monitoring activities are carried out in the Bank.

The compliance function has redefined its approach from its traditional inspectorate function into an advisory role with intense focus on regulatory intelligence gathering and closer cooperation with business units within the Bank, and the group acting as a contact point within the Bank for

compliance queries from staff members.

Furthermore, activities such as the gradual empowerment of the first line of defence, joint visitation calls & AML/CFT evaluation of our Financial Institutions (FI) customers and the realignment of the Compliance function to incorporate Conduct Risk have been carried out.

The strategy of the Conduct and Compliance Group is to align the bank's processes with best practice; promote 'Positive Culture'; and closely provide regular advisory services to business units in order to achieve the business objectives of the Bank without exposing the Bank or any of its stakeholders to any regulatory or reputational risks.

### Measurement, Monitoring and Management of Compliance Risk

In Access Bank, compliance risk is:

- measured by reference to identified metrics, incident assessments (whether affecting Access Bank or the wider industry), regulatory feedback and the judgment of our

external assessors as it relates to AML/CFT and other compliance vulnerabilities;

- monitored against our compliance risk assessments and metrics, the results of the continuous monitoring and reporting activities of the compliance function and the results of internal and external audits and regulatory inspections; and
- managed by establishing and communicating appropriate policies and procedures, training employees on them, and monitoring activity to assure their observance.

The Bank recognizes its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business. The Conduct & Compliance function, including all staff of Access Bank Plc and its subsidiaries are committed to high standards of integrity and fair dealing in the conduct of business. The Bank's compliance risk management philosophy is deepened in the effective convergence risk management through the 'Three Lines of Defence' model.

Effective compliance risk management of Access Bank Plc and its subsidiaries is coordinated in the following manner:

- Where a business unit is subject to regulatory requirements, it will comply with those requirements. The business unit will furthermore establish and maintain systems of internal control to monitor and report the extent of compliance with those requirements with the support of Conduct & Compliance function.
- In the absence of regulatory requirements for all or part of a business unit, certain minimum standards of conduct is established and maintained by that business unit to the extent required as determined by the management of that business unit.
- Accountability for ensuring compliance with regulatory requirements and minimum standards rests with the Group Managing Director and the Board of Access Bank Group, whilst the enforcement thereof is the responsibility of the respective Group Heads (1st line of defence).
- To assist in the discharge of this obligation, Access Bank Plc maintains an independent Conduct & Compliance Function. The Conduct & Compliance function develop systems of control that are required to ensure there is adequate protection of the bank, empower the first line of defence and ensure timely reporting of breaches and other regulatory non-compliances to the Board and Executive Management of the Access Bank Group.
- For independent assurance, Conduct & Compliance Function together with other Risk Management functions and Group Internal Audit work together to ensure that the necessary synergies are achieved in the management of the Bank's compliance risk.

### Our Compliance Risk Appetite

Access Bank Plc aims to be compliant with all applicable laws and regulations, internal company rules and policies governing its operations and established good business practices. Access Bank Plc ensures that this requirement is embedded in the culture of its business operations. Enhanced global AML and sanctions policies, incorporating the bank's risk appetite, were approved by the Board in January 2014. The policies adopt and seek to enforce the highest or most effective standards globally, including a globally consistent approach to knowing our customers.

With respect to Compliance Risk, the Bank's appetite for Compliance Risk is defined as follows; Zero tolerance for payment of fines and other penalties associated with regulatory infractions and non-compliance with laws, standards and rules. The primary compliance objective is to be among top three (3) most compliant banks in all the jurisdictions we have our business operations. The Bank shall continuously aim to minimize the following compliance risk indicators:

- Reported exceptions by auditors, regulators and external rating agencies;
- Frequent litigations;
- Payment of fines and other regulatory penalties; and
- Unresolved customer complaints.

The Bank shall not compromise its reputation through unethical, illegal and unprofessional conduct in the market place. The Bank shall also maintain a zero appetite for association with disreputable persons and/or entities.

### Our AML Programme

Access Bank Plc has a Board approved an AML/CFT programme. This is contained in the Bank's Compliance Manual which is reviewed and updated at least on an annual basis. Our Compliance Manual contains the policies approved by the Board. Some of these are the Politically Exposed Persons (PEP) Policy; Compliance Risk Management Policy, Compliance Charter etc.

Board members and all levels of staff are trained at least once every financial year on AML/CFT/KYC as stated in the Bank's policy. New employees also undergo KYC/AML/CFT training as an induction course. The Bank organises and ensures that staff attend webinars, conferences, workshop, trainings etc as part of its bankwide AML/CFT/KYC awareness programme. Tests are conducted during such trainings to ensure employees understand the content and scope of the trainings.

All Access Bank staff sign the Annual Compliance Attestation message to affirm that they have read and understood the policies and procedures of the Bank relating to ethics, code of conduct, AML/CFT, Anti-Bribery and Corruption etc.

The Bank has designated a Non-Executive Director who is responsible for the Access Bank Plc Anti Money Laundering / Combating Financing of Terrorism (AML/CFT) programme.



With the escalation protocol for compliance risk in place, the Enterprise-wide Risk Management Committee (ERMC) and the Board via the Board Risk Management Committee (BRMC) serve as channels for reporting compliance risk.

### Anti-Bribery & Corruption Implementation

Access Bank adopts a zero-tolerance approach to bribery and corruption. The Bank conducts business affairs in a manner that shuns the use of corrupt practices or acts of bribery to obtain unfair advantage in our dealings within the markets and the communities we operate.

The Bank and all its Subsidiaries have a Board approved policy which sets out the general rules and principles we adhere to and also communicate to all employees, directors, business associates as well as relevant partners, suppliers, vendors and other stakeholders the need to maintain high ethical and professional conduct in the course of doing the Bank's business.

In 2015, the Bank commenced and completed the Anti-bribery risk assessment of selected high risk areas within the Group office. The bank becomes one of the first banks in the country to successfully achieve this. The Bank also began the second phase of the ABC risk assessment with three (3) groups assessed for Anti-Bribery & Corruption vulnerabilities in the first half of 2016.

### Conduct Risk Implementation

Conduct Risk: Detriment caused to our customers, clients, counterparties, or the Bank and its employees through inappropriate judgment in execution of business activities. We have reviewed and improved how conduct risk is assessed and reported throughout our business. The Bank is committed to putting customers' at the heart of the

decisions, treating customers' fairly and resolving customer complaints within the shortest possible time.

The Conduct Risk Framework is being embedded throughout the bank with focus on delivering positive customer and client outcomes. The roll-out of the conduct risk management framework has seen the adoption of Conduct Risk parameters as part of the formal KPIs for all staff of the Bank.

### Strategic Alliance & Partnership

As part of our contribution towards the enhancement of the financial industry's existing framework and initiatives to combat financial crimes and terrorist financing, the Conduct and Compliance Group during the first half of 2016 collaborated with the Financial Institutions Training Centre (FITC) to organize a training session on compliance risk management where compliance issues such as emerging risk regulations and standards, new International and regulatory landscape were discussed.

The Association of Certified Compliance Professionals in Africa (ACCPA) which is a continental network of experienced and certified Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) professionals working on the ground in Sub-Saharan Africa recently conferred the award for Africa AML Professional of the year on the Chief Conduct and Compliance Officer, Mr. Pattison Boleigha. The Bank was also invited to contribute to 'The Leaders' Anti-Corruption Manifesto', a collection of high-level statements against corruption which will be published online, printed in hard copy, and launched at the Tackling Corruption Together conference. The conference which preceded the Global Anti-Corruption summit was hosted by the former Prime Minister of the UK Mr. David Cameron, on May 11, 2016 in the United Kingdom.

## OPERATIONAL RISK MANAGEMENT

### Operational Risk Management

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments with regard to taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risk associated with business practices or market conduct in which the Bank is involved. Operational risk is inherent in Access Bank's global business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

This framework includes:

- recognized ownership of the risk by the businesses;
- oversight by independent risk management; and
- independent review by Corporate Audit.

We seek to minimise exposure to operational risk, subject

to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring.

The goal is to keep operational risk at appropriate levels relative to the characteristics of our businesses and the markets in which we operate, our capital and liquidity, and the competitive, economic and regulatory environment. Notwithstanding these controls, Access Bank incurs operational losses.

Our operational risk strategy seeks to minimise the impact that operational risk can have on shareholders' value. The Bank's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings;
- Minimise the impact of unexpected and catastrophic events and related costs through risk financing strat-

egies that will support the Bank's long term growth, cash flow management and balance sheet protection;

- Eliminate bureaucracy, improve productivity, reduce capital requirements and improve overall performance through the institution of well designed and implemented internal controls.

In order to create and promote a culture that emphasizes effective operational management and adherence to operating controls, there are three distinct levels of operational risk governance structure in Access Bank Plc.

Level 1 refers to the oversight function carried out by the Board of Directors, Board Risk Committee and the Executive Management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by Operational Risk Management Group. It has direct responsibility for formulating and implementing the Bank's Operational Risk Management Framework including methodologies, policies and procedures approved by the Board.

Level 3 refers to the operational function carried out by all business units and support functions in the Bank. These units/functions are fully responsible and accountable for the management of operational risk in their units. They work in liaison with operational risk management to define and review controls to mitigate identified risks. Internal audit provides independent assessment and evaluation of the Bank's Operational Risk Management Framework. This periodic confirmation of the existence and utilisation of controls in compliance with approved policies and procedures, provide assurance as to the effectiveness of the Bank's Operational Risk Management Framework. Some of the tools being used to assess, measure and monitor operational risks in the bank include; a loss database of operational risk events; an effective risk and control self-assessment process that helps to analyse business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

### **The Group's Operational Risk Management Framework**

The Group's current Operational Risk Management Framework was implemented in 2007 to meet internal and regulatory requirements. There has been significant investment in the implementation of improved measurement and management approaches for operational risk to strengthen control, improve customer service, improve process efficiencies and minimise operating losses. The Group recognises the fact that it is neither cost-effective nor possible to attempt to eliminate all operational risks. Events of small significance are thus expected to occur and are accepted as inevitable with relevant budgeting for these losses where appropriate. Events of material significance are limited and the Group seeks to reduce the risk from these extreme events in a framework consistent with

its agreed risk appetite. Processes are in place to monitor the management and future mitigation of such events.

The role of the Operational Risk function is to establish, implement and maintain the Operational Risk Management Framework for the modelling and managing of the Group's operational risk, while reinforcing and enabling operational risk management culture throughout the Group. The aim is to integrate, based on international norms and best practices, all operational risk activities and to compile a reliable operational risk profile contributing to the Group's risk-reward profile. The key advantage of this framework is the financial quantification and modelling of operational risks. This functionality has significantly improved the Group's operational risk measurement and management capabilities.

### **Management and Control Responsibilities**

The first line of governance for managing operational risk rests with business and operational risk management forms part of the day-to-day responsibilities of all business unit management. Business unit staff report any identified breakdowns in control and any risk events that may result in financial loss and/or reputation damage. Amongst others, business management are responsible to ensure that processes for identifying and addressing ineffective controls and the mitigating of risk events are implemented and executed. Operational Risk teams form the secondary line of governance by ensuring that processes to identify weaknesses are effective and identified weaknesses are acted upon. The Group operational risk profile is presented to the Board quarterly. Control effectiveness is monitored at the ERMC and at the Board; and the multi-layered system of defences ensures pro-active operational risk management.

### **Measuring and Managing Operational Risk**

The Group recognizes the significance of operational risk and is committed to enhancing the measurement and management thereof. Within the Group's operational risk framework, qualitative and quantitative methodologies and tools are applied (Group-wide) to identify and assess operational risks and to provide management information for determining appropriate mitigating measures.

### **Risk Event Data Collection and Reporting**

A standard process is used Group-wide for the recognition, capture, assessment, analysis and reporting of risk events. This process is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are loaded onto a central database and reported monthly to the ERMC. The Group also uses a database of external public risk events and is part of a consortium of international banks that share loss data information anonymously to assist in risk identification, assessment, modelling and benchmarking.

### **Risk and Control Self-Assessments (RCSA)**

In order to pro-actively identify and actively mitigate risks, the Operational Risk Management Framework utilises RCSAs. RCSA is used at a granular level to identify relevant



material risks and key controls mitigating these risks. The risks and controls are assessed on a quarterly basis and relevant action plans are put in place to treat, tolerate, terminate or transfer the risks, taking into account the relevant business risk appetites. The RCSA programme is extensive and covers the entire Group. The Internal Audit further tests the effectiveness of the RCSAs within the normal course of auditing and relevant metrics are monitored and actioned where relevant.

### Key Risk Indicators (KRIs)

A comprehensive set of KRIs are in place across the Group, with relevant and agreed thresholds set by the business. KRIs are monitored on a Group as well as business unit level, based on significance. Threshold breaches are managed in accordance with an agreed process across the Group.

### Reporting

Business units are required to report on both a regular and an event-driven basis. The reports include a profile of the key risks to their business objectives, RCSA and KRI results, and operational risk events. Risk reports are presented to executive management and risk committees.

### Allocating Capital to Business Units

An allocation methodology is applied for allocating capital to business units. For each business units, the allocation takes into consideration not only the size of the business unit, but also measures the business unit's control environment, namely open audit findings, RCSA results, and loss experience. This translates to a risk-sensitive allocation with the opportunity afforded to business to identify actions to positively impact on their respective allocated operational risk capital.

### Insurance Mitigation

Insurance policies are used as a way to mitigate operation-

al risks. These policies are current and remain applicable in the Group operating environment. Insurance coverage is purchased at Group or cluster level to discharge statutory and regulatory duties, or to meet counterparty commitments and stakeholder expectations. The primary insurance policies managed by the Group are:

- comprehensive crime and electronic crime;
- directors' and officers' liability; and
- professional indemnity.

In terms of the Advanced Measurement Approach (AMA), the Group may adjust its operational risk exposure result by no more than 20% to reflect the impact of operational risk mitigants. Globally, the use of insurance and other risk transfer mechanisms for operational risk is in a state of rapid development and pioneering work is being done across the industry. While the Group has developed a methodology for the modelling of insurance, the Group will not apply risk mitigation in the calculation of its operational risk exposure until such time as insurance policies are compliant to regulatory minimum requirements.

### Information Security and Continuity of Business

Information security and the protection of confidential and sensitive customer data are a priority of Access Bank. The Bank has developed and implemented an Information Security Risk Management framework that is in line with best practice. The framework is reviewed and enhanced regularly to address emerging threats to customers' information.

The Bank mitigates business continuity risks by reviewing and testing recovery procedures. The Bank obtained ISO certification in Business Continuity since 2014. Regular bank wide awareness campaigns are also used to drive information security and business continuity culture in the bank.

## STRATEGIC RISK MANAGEMENT

In Access Bank, we define Strategic Risk as the process for identifying, assessing and managing risks and uncertainties, affected by internal and external events or scenarios that could inhibit the bank's ability to achieve its strategy and strategic objectives with the ultimate goal of creating and protecting shareholder and stakeholder value. It is a primary component and necessary foundation of our Enterprise-Wide Risk Management.

Strategic risk management, therefore, is defined as current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. It can also be defined as the risk associated with future business plans and strategies, including plans for entering new business lines, expanding existing services through mergers and acquisitions, and enhancing infrastructure.

A well-defined structure for managing strategic risk exists

in Access Bank. It provides a process for the Bank to identify and assess potential risks posed by its strategic plan, and consider whether they have adequate capacity to withstand the risks. Strategic risk management involves various organizational functions within the Bank. The following principles govern the Bank's strategic risk management:

The Board and Senior Management are responsible for Strategic risk management and oversee the effective functioning of the strategic risk management framework; The functional units (i.e. the units which carry out business or operational functions) assist the Board and Senior management in formulating an implementing strategies, and in providing input to the strategic planning and management processes; as well as implementing the strategic risk management framework.

The strategic risk management function supports the

Board and Senior Management in managing Strategic Risk and other related processes in the Bank.

Access Bank, in compliance with the Basel II principles, uses Internal Capital Adequacy Assessment Process in assessing its Strategic Risk. To this end, it sees Strategic Risk as material risk that could result when the Bank fails to meet its performance targets, sufficient cashflow to maintain its operations that may result in a negative impact on the bank's operating result and financial condition. This strategic risk could stem from adverse global economy, regulatory actions, improper analysis that can impact the implementation of decisions, lack of responsiveness to industry changes, inability to respond promptly to business opportunities, ineffective change management and communication process as well as the nature and activities of competitors.

Based on the foregoing, the bank estimates a capital charge figure in relationship to its actual gross earnings to cover its strategic risk exposure, in line with its tolerance level.

**The measures and controls it has put in place include the followings:**

Strategic plans are approved and monitored by the Board. Regular environmental scan, business strategy sessions and workshops are set up to discuss business decisions, close monitoring to ensure that strategic plans are properly aligned with the business model, regular performance review by EXCO, business plans are approved by the board. The bank also maintains a well-defined succession plan, proper monitoring and well defined structures to align its activities to international best practices.

## REPUTATIONAL RISK MANAGEMENT

Reputational risk arises when the Bank's reputation is exposed to one or more reputational events from negative publicity about the organization's business practices, conduct or financial condition. The Bank's Strategic and Reputational Risk Management is mandated to protect the Bank from potential threats to its reputation. The team continuously uses proactive means in minimizing the effects of reputational events, thereby averting the likelihood of major reputational crises with the view of ultimately ensuring the survival of the organization. The Bank has put in place, a framework to properly articulate, analyze and manage reputational risk factors.

Access Bank takes the management of reputational risks seriously because of their far-reaching implications which are buttressed by the fact that the Bank operates under:

- A highly regulated financial services industry with high visibility and vulnerability to regulatory actions that may adversely impact its reputation. (e.g. corporate governance crises);
- Keen competition and largely homogeneous products and services have led customers not to perceive significant differences between financial service providers; and
- Given the financing nature of products and services they provide, banks are not only exposed to their own reputation, but also to the reputation of their clients.

With banks operating and competing in a global environment, risks emerging from a host of different sources and locations is difficult to keep up with and to know how best to respond to if they occur. The effects of the occurrence of a reputational risk event include but are not limited to the following:

- Loss of current or future customers;
- Loss of public confidence;
- Loss of employees leading to an increase in hiring costs, or staff downtime;

- Reduction in current or future business partners;
- Increased costs of capitalization via credit or equity markets;
- Regulatory sanctions;
- Increased costs due to government regulations, fines, or other penalties; and
- Loss of banking license.

It is Group policy that, at all times, the protection of the Group's reputation should take priority over all other activities, including revenue generation. Reputational risk will arise from the failure to effectively mitigate one or more of country, credit, liquidity, market, regulatory and operational risk. It may also arise from the failure to comply with social, environmental and ethical standards. All employees are responsible for day-to-day identification and management of reputational risk.

The desired risk appetite for reputation is low risk. The Bank will ensure that highest ethical standards are followed at all times and the Code of Conduct Policy will be strictly implemented.

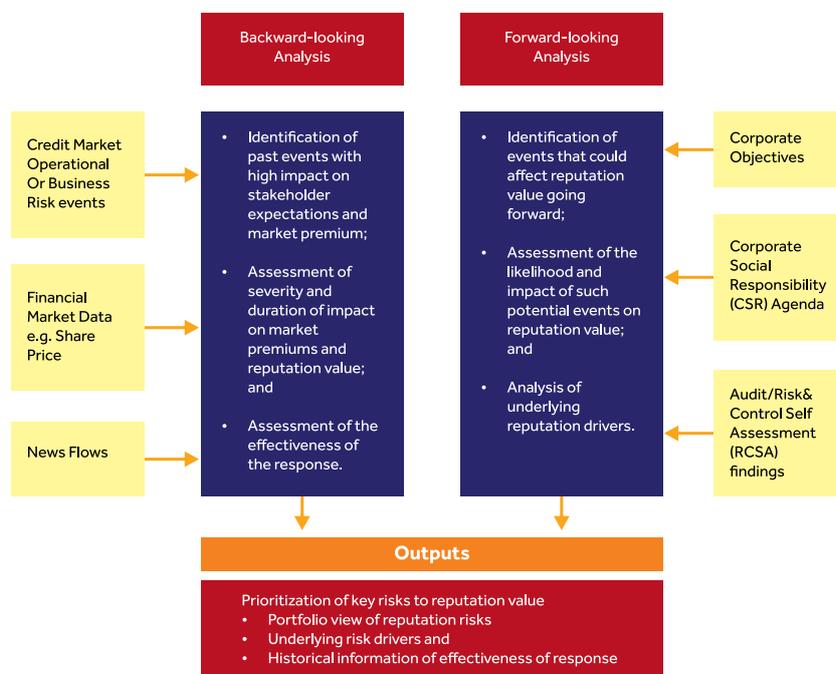


In identifying reputational risk factors, the Bank makes use of the output of a risk identification process. At the end of the risk identification sessions, risk profiles are derived and analyzed and risk events identified with possible negative reputational impact on the Bank.

This analysis is performed against the background of the Bank's corporate objectives, its corporate social responsibility agenda and external factors. Access Bank seeks to leverage existing information from audit findings, risk and control self-assessments, environmental scanning and scenario planning processes in mitigating reputational risk issues.

**Compilation of Trigger Events**  
In order to assist in the identification of key reputational risk events, triggers that would set off the risk drivers are compiled through workshops with participants from relevant business units. The following table illustrates some trigger events for relevant risk drivers.

### KEY DRIVERS OF REPUTATIONAL RISK



Risk Drivers	Trigger Events
Corporate governance and leadership	<ul style="list-style-type: none"> <li>Corporate frauds and scandals;</li> <li>Association with dishonest and disreputable characters as directors, management</li> <li>Association with politically exposed persons</li> <li>Incidence of shareholders conflict and Board Instability.</li> </ul>
Regulatory Compliance	<ul style="list-style-type: none"> <li>Non - Compliance with laws and regulation;</li> <li>Non submission of Regulatory returns</li> </ul>
Delivering customer promise	<ul style="list-style-type: none"> <li>Security Failure</li> <li>Shortfall in quality of service/fair treatment;</li> <li>Bad behavior by employees</li> </ul>
Workplace talent and culture	<ul style="list-style-type: none"> <li>Unfair employment practices</li> <li>Not addressing employee grievances</li> <li>Uncompetitive remuneration</li> </ul>
Corporate social responsibility	<ul style="list-style-type: none"> <li>Lack of community development initiatives</li> </ul>
Corporate Culture	<ul style="list-style-type: none"> <li>Lack of appropriate culture to support the achievement of business objective.</li> <li>Ineffective risk management practices.</li> <li>Unethical behaviors on the part of staff and management.</li> <li>Lack of appropriate structure for employees to voice their concerns</li> </ul>
Risk Management and Control Environment	<ul style="list-style-type: none"> <li>Inadequate Risk Management and Control environment</li> <li>Continuous violations of existing policies and Procedures</li> </ul>
Financial Soundness and Business viability	<ul style="list-style-type: none"> <li>Consistent poor financial performance</li> <li>Substantial losses from unsuccessful Investment</li> </ul>
Crisis Management	<ul style="list-style-type: none"> <li>Inadequate response to a crisis or even a minor incident</li> </ul>

### Events data analysis

Events data analysis is conducted to assess the gap between performance of the bank and the expectation of stakeholders. The nature of the gap and the reasons for the gap is analyzed for ensuing corrective action. Example of events data analyzed is furnished below:

- Evaluating types of marketing efforts and implications for Reputational Risk;
- Analysis of number of accounts opened vs. closed;
- Calling effort analysis;
- Complaint log analysis; and
- Error resolution review.

### Approach to managing reputation events

The Bank's approach to managing reputation events, including any relevant strategy and policies, is approved by the Board or its delegated committee and subject to periodic review and update by senior management to

ensure that it remains appropriate over time. In addition, the approach is well documented and communicated to all relevant personnel.

### Post reputation event reviews

After a reputation event, the post-event review is conducted by Internal Audit and Risk Management Division to identify any lessons learnt, or problems and weaknesses revealed, from the event. Such reviews are useful for providing feedback and recommendations for enhancing the Bank's reputation risk management process, and are at least conducted on any major event affecting Access Bank. The Board and Senior Management are promptly informed of the results of any such review conducted so that they can take appropriate actions to improve its approach to managing reputation risk.

## CAPITAL RISK MANAGEMENT

### Capital Risk Management

Capital risk is the risk that the Bank's total capital base is not properly managed in a prudent manner. Capital management objectives:

The Group has a number of capital management objectives:

- to meet the capital ratios required by its regulators and the Group's Board;
- to maintain an adequate level of available capital resources as cover for the economic capital (EC) requirements calculated at a 99.95% confidence level;
- to generate sufficient capital to support asset growth;
- to maintain an investment grade credit rating; and
- to achieve a return above the cost of equity.

### Capital management strategy:

The Group's capital management strategy is focused on maximizing shareholder value by optimizing the

level and mix of capital resources. Decisions on the allocation of capital resources are based on a number of factors including return on economic capital (EC) and on regulatory capital (RC), and are part of the internal capital adequacy assessment process (ICAAP).



### Importance of capital management

Capital is managed as a Board level priority in the Group which reflects the importance of capital planning. The Board is responsible for assessing and approving the Group's Capital Management Policy, capital target levels and capital strategy.

A Capital Management Framework provides effective capital planning, capital issuance, Basel II alignment, EC utilisation and economic profit (EP) performance measurement criteria. The above diagram illustrates the process the Group follows to ensure end-to-end integration of the Group's strategy, risk management and financial processes into the capital management process. The purpose is to ensure that capital consumption in the business divisions has an impact on performance measurement, which in turn translates into management performance assessment and product pricing requirements and achievement of the overall strategy within risk appetite.



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1. Download *PayWithCapture* v5.0 from either



or through the following link  
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3. Register your mobile phone number and your email address

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🇮🇪 (+234) Phone number \_\_\_\_\_  
Referral code \_\_\_\_\_  
*Have you been referred to us by another user?  
If so, please enter their referral code here!*

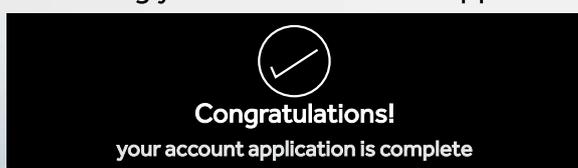
4. Click on the 'next' button then enter your password and confirm it

Password \_\_\_\_\_  
Confirm your password \_\_\_\_\_

5. Finally, type in a 4 digit security code and confirm it.

Enter code \_\_\_\_\_  
Confirm code \_\_\_\_\_

A congratulatory page will appear indicating you can now use the app



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The image features a hand on the left side, holding a large, dark-colored gear. In the background, there are several other similar gears of varying sizes, some appearing to be part of a larger mechanism. The overall scene is set against a warm, orange-toned background with a large, semi-transparent white circle in the upper left quadrant. Inside this circle, the number '3' is prominently displayed in white on a smaller orange circle. Below the number, the word 'GOVERNANCE' is written in a bold, blue, sans-serif font. The bottom left corner of the page contains the number '84' in a small, white font.

3

## GOVERNANCE



Access Bank's Directors, their functions; implementing the best standards of corporate governance.



The Board	88
Directors, Officers and Professional Advisors	94
Management Team	95
Directors' Report	96
Corporate Governance	102
Directors' Responsibilities	116
Report of the Statutory Audit Committee	118
Customer Complaints Feedback	120



# GREAT TEAM SECURING TOMORROW



# THE BOARD

FOR THE YEAR ENDED 31 DECEMBER, 2016



**MOSUN  
BELO-OLUSOGA, FCA**  
CHAIRMAN

Mrs. Belo-Olusoga is the Principal Consultant/Programme Director of The KRC Ltd. She served on the boards of Guaranty Trust Bank Plc, Asset and Resource Management Company Ltd and Equipment and Leasing Association of Nigeria. She currently sits on the boards of ActionAid, MTN Foundation and Premium Pension Limited.

She had an illustrious banking career spanning nearly three decades and retired from Guaranty Trust Bank Plc in 2006 as an Executive Director.

Mrs. Belo-Olusoga is a graduate of Economics from University of Ibadan. She qualified as a Chartered Accountant in 1983 and is a fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Bankers of Nigeria. She joined the Board of Access Bank Plc in November 2007. She was the Chairperson of the Board Credit and Finance Committee until her appointment as Chairman of the Board in July 2015.

Mr. Chiejina is the Chairman and CEO of AshBard Energy Company Ltd and a Non-Executive Director of Finance and Commercial Services Limited and Sumeru Nigeria Limited. He retired as Deputy Managing Director of Elf Petroleum (Total E&P) in 2007.

He obtained his law degree from the University of Lagos in 1975 and was called to the Nigerian Bar in 1976. He has attended Professional Development Programmes at Columbia University, Cranfield Institute of Technology, European Institute of Business Administration (INSEAD), University of London, London Business School and Harvard Business School. Mr Chiejina joined the Board of Access Bank Plc in June 2005.

He chairs the Board Governance and Nominations Committee and the Risk Management Committee.



**EMMANUEL  
CHIEJINA**  
NON EXECUTIVE DIRECTOR



Mrs. Ogunmefun is the Managing Partner of Kemi Ogunmefun Law Office, a Canadian based private legal practice specialising in Immigration Law, Family Law, Real Estate and Corporate Law. She served as the Chairperson of Governance Committee of the Kinark Child and Family Services, a major Canadian Childcare Trust and is a Non-Executive Director of LOC Nominees Limited.

Mrs. Ogunmefun obtained her Bachelor of Laws degree from University of Lagos in 1974. She was called to the Nigerian Bar in 1975 and the Law Society of Upper Canada in 2004.

She was appointed to the Board in April 2011. Mrs. Ogunmefun is the Chairman of the Board Remunerations Committee and Vice Chairman of the Governance and Nominations Committee.



**ANTHONIA O.  
OGUNMEFUN**

NON EXECUTIVE DIRECTOR



**ERNEST  
NDUKWE, OFR**

INDEPENDENT NON EXECUTIVE DIRECTOR

Dr. Ndukwe is an Electrical/Electronics Engineer, with over three decades experience in the telecommunications industry. He was the Managing Director of General Telecoms between 1989 and 2000 and Executive Vice Chairman of Nigerian Communications Commission between 2000 and 2010.

He is a graduate of University of Ife and an alumnus of Lagos Business School. He is a fellow of the Nigerian Society of Engineers, Nigerian Institute of Management and Nigerian Academy of Engineering. Dr. Ndukwe sits on the boards of SystemSpecs Limited, Open Media Group and Salt & Einsten MTS Limited. He joined the Board of Access Bank in December 2012 and chairs the Board Audit Committee.



**AJORITSEDERE  
AWOSIKA, MFR**  
INDEPENDENT NON EXECUTIVE DIRECTOR

Dr. Awosika is an accomplished administrator with over three decades experience in public sector governance. She was at various times the Permanent Secretary in the Federal Ministry of Internal Affairs, Federal Ministry of Science & Technology and Federal Ministry of Power.

She is a fellow of the Pharmaceutical Society of Nigeria and the West African Postgraduate College of Pharmacy. She sits on the boards of Capital Express Assurance Ltd, Chams Plc and Josephine Consulting Limited.

Dr. Awosika holds a doctorate degree in pharmaceutical technology from University of Bradford, United Kingdom. She was appointed to the Board in April 2013 and serves as the Vice-Chairman of the Board Audit Committee and Chairman of the Board Credit and Finance Committee.

Mr. Usoro is a Senior Advocate of Nigeria, a Fellow of the Chartered Institute of Arbitrators, and the Founder and Senior Partner of the Law firm of Paul Usoro & Co. He has over 30 years law practice experience and is acknowledged as a highly experienced litigator and communication law expert.

He is currently a director of Airtel Network Limited and PZ Cussons Nigeria Plc.

Mr. Usoro had represented Access Bank as a Non-Executive Director on the board of defunct Intercontinental Bank Plc. He holds a Bachelor of Laws degree from University of Ife (1981) and was called to the Nigerian Bar in 1982. He joined the Board in January 2014.



**PAUL USORO, SAN**  
NON EXECUTIVE DIRECTOR



**ABBA MAMMAN  
TOR. HABIB**  
NON EXECUTIVE DIRECTOR

Mr. Habib is a thoroughbred banking professional with over 20 years experience, 15 of which were spent with Guaranty Trust Bank Plc where he voluntarily resigned in 2008 as an Executive Director. His experience in Guaranty Trust Bank spanned Corporate Banking and Risk Management. Mr. Habib is the Managing Director of Gremcoh Services Limited his family owned agricultural and real estate enterprise.

He holds a First Class Bachelor of Science degree in Agricultural Economics from University of Maiduguri and Master of Science in Banking and Finance from Bayero University, Kano. Mr. Habib has attended several Executive Development Programmes in leading institutions including African Development Bank, Harvard, IMD, D.C Gardner London and INSEAD. He joined the Board in January 2016.



Mr. Wigwe started his professional career with Coopers & Lybrand Associates, an international firm of Chartered Accountants. He spent over 10 years at Guaranty Trust Bank where he managed several portfolios including Financial Institutions, Large Corporates and Multinationals. He left Guaranty Trust Bank as an Executive Director to co-lead the transformation of Access Bank Plc in March 2002 as Deputy Managing Director. He was appointed Group Managing Director/CEO effective January 1, 2014

He is an alumnus of Harvard Business School Executive Management Programme. He holds a Masters degree in Banking and International Finance from the University College of North Wales; a Masters degree in Financial Economics from the University of London and a B.Sc. degree in Accounting from the University of Nigeria, Nsukka. He is also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). Mr Wigwe is the Chairman of The Access Bank (UK) Ltd and Non-Executive Director of Nigerian Mortgage Refinance Company Plc.



**HERBERT WIGWE**  
GROUP MANAGING DIRECTOR / CEO



**OBINNA NWOSU**  
GROUP DEPUTY MANAGING DIRECTOR/COO

Mr. Nwosu began his banking career with Guaranty Trust Bank in 1994 where he spent over 8 years before joining Access Bank in 2002. He has over 2 decades of banking experience cutting across Transaction Services, Retail and Commercial Banking.

Prior to his appointment as Group Deputy Managing Director/ Chief Operating Officer in December 2013, his last position was the Divisional Head of Retail Banking.

He holds a Masters degree in Public Administration from Columbia University in the city of New York, Masters degree in Business Administration as well as a Second Class Upper degree in Accountancy from University of Nigeria, Nsukka.

He serves on the boards of the Bank's six subsidiaries in Africa, The Access Bank (UK) Limited and Central Securities Clearing Systems (CSCS) Plc.

Mr. Etuokwu's appointment as Executive Director was renewed in October 2013 following the expiration of his initial term. He was first appointed Executive Director of Access Bank in January 2012, He oversees the Personal Banking Division and has over two decades of banking experience cutting across operations, Information Technology, and Business Development. He joined the Bank in July 2003 from Citibank Nigeria.

He holds a Bachelor of Science degree and a Masters of Business Administration from University of Ibadan and University of Benin respectively. Mr. Etuokwu is a Senior Honorary member of the Chartered Institute of Bankers of Nigeria and a director of E-Tranzact Plc and Unified Payments Systems Plc.



**VICTOR ETUOKWU**  
EXECUTIVE DIRECTOR



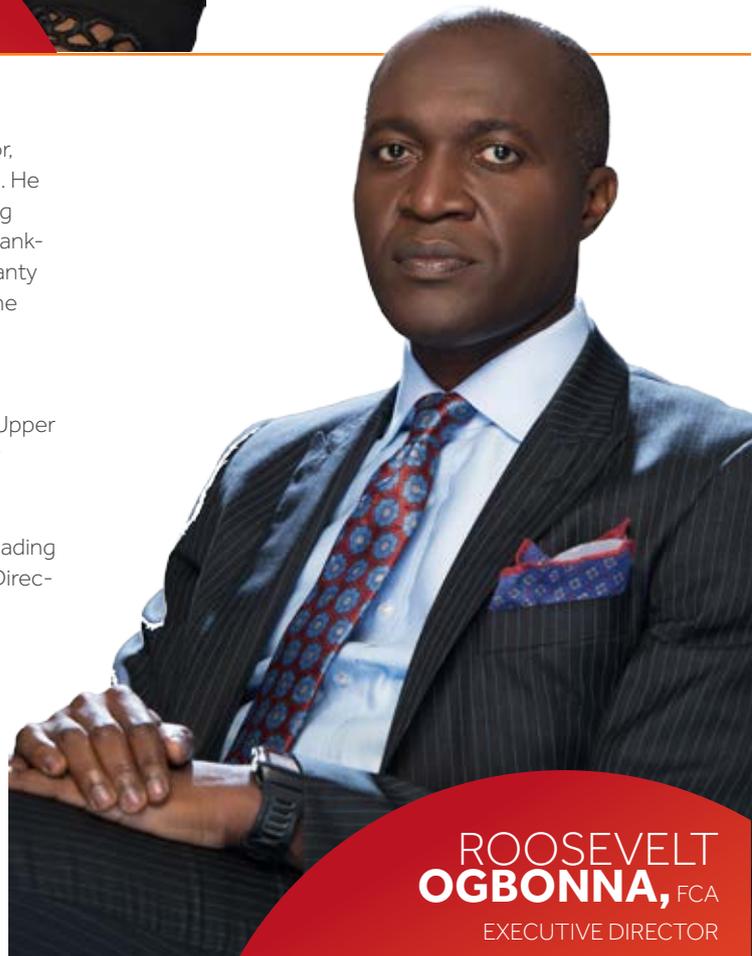
**OJINIKA  
OLAGHERE, FCA**  
EXECUTIVE DIRECTOR

Mrs. Olaghere was appointed Executive Director, Operations and IT in October 2013. She has over 23 years banking experience, 16 of which were with Ecobank Group. She joined Access Bank in August 2007 as a General Manager in charge of Enterprise Business Support. She was appointed Executive Director of the defunct Intercontinental Bank in October 2011 upon its acquisition by Access Bank. Her banking experience covers Operations, Business Development, General Administration and Information Technology.

Mrs Olaghere holds a Second Class Upper degree in French Language from University of Nigeria, Nsukka. She is a Fellow of the Institute of Chartered Accountant of Nigeria. She has attended Executive Management Development Programmes in leading institutions. She represents the Bank on the Governing Council of Bank Directors Association of Nigeria.

Mr. Ogonna was appointed Executive Director, Commercial Banking Division in October 2013. He has over 19 years experience in banking cutting across Treasury, Commercial and Corporate Banking. He joined Access Bank in 2002 from Guaranty Trust Bank. Prior to his appointment, he was the Divisional Head of Commercial Banking.

He is a Fellow of the Institute of Chartered Accountants of Nigeria and holds Second Class Upper degree in Banking and Finance from University of Nigeria, Nsukka. He has attended Executive Management Development Programmes on Leadership, Credit and Risk-Management in leading institutions. Mr. Ogonna is a Non-Executive Director of Access Bank (Zambia) Ltd.



**ROOSEVELT  
OGONNA, FCA**  
EXECUTIVE DIRECTOR



Mr. Igbinakenzua was appointed Executive Director, Corporate Investment Banking in October 2013. He holds a B.Sc. Second Class Upper Degree in Accounting from the University of Benin, an MBA from Enugu State University, and M.Sc. Corporate Finance from the University of Liverpool, UK.

His banking experience, which is over 24 years, cuts across Audit and Internal Control, Treasury and Financial Institutions, Commercial Banking, Branch Management, Corporate Banking and Investment Banking. He joined Zenith Bank Plc. in 1993 and was appointed Executive Director of the Bank in 2005.

Prior to joining Zenith Bank, he trained with PricewaterhouseCoopers between 1988 and 1992 and qualified as a Chartered Accountant in 1992. Mr. Igbinakenzua is also a Fellow of the Institute of Chartered Accountants of Nigeria, Chartered Institute of Taxation of Nigeria and the Institute of Credit Administration of Nigeria. He was a Director of Access Bank (Ghana) Plc.

He has attended several Executive Management Development programmes in leading business schools.



**ELIAS**  
**IGBINAKENZUA, FCA**  
EXECUTIVE DIRECTOR



**TITI OSUNTOKI**  
EXECUTIVE DIRECTOR

Mrs. Osuntoki was appointed Executive Director, Business Banking in October 2013. She is an accomplished banker with over 2 decades experience cutting across all facets of banking. She joined Guaranty Trust Bank in 1991 and was appointed Executive Director in 2008. She resigned from Guaranty Trust Bank in October 2011. Until her appointment, she was an Independent Director of Wapic Insurance Plc. She represents the Bank on the Board of Financial Institutions Training Centre.

She holds a Second Class Upper degree in Civil Engineering and a Masters of Business Administration from University of Lagos. She has attended Executive Management Programmes in leading business schools.

## Governance

# DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

### DIRECTORS

Mosun Belo-Olusoga  
Herbert Onyewumbu Wigwe  
Obinna David Nwosu  
Ernest Chukwuka Ndukwe, OFR  
Oritsedere Samuel Otubu \*  
Anthonia Olufeyikemi Ogunmefun  
Paul Usoro, SAN  
Emmanuel Chiejina  
Abba Mammam Tor Habib \*\*  
Ajoritsedere Josephine Awosika, MFR  
Victor Okenyenbunor Etuokwu  
Roosevelt Michael Ogbonna  
Ojinika Nkechinyelu Olaghere  
Elias Igbinakenzua \*\*\*  
Titi Osuntoki

### COMPANY SECRETARY

Sunday Ekwochi

### INDEPENDENT AUDITOR

PricewaterhouseCoopers  
Landmark Towers  
5b, Water Corporation Way, Oniru  
Victoria Island, Lagos  
(01) 271 1700  
[www.pwc.com/ng](http://www.pwc.com/ng)

\* He retired from the Board September 1, 2016

\*\* He was appointed to the Board on January 28, 2016.

\*\*\* He retired from the Board December 31, 2016.

Chairman  
Group Managing Director/CEO  
Group Deputy Managing Director/COO  
Independent Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Independent Non-Executive Director  
Executive Director  
Executive Director  
Executive Director  
Executive Director  
Executive Director

### CORPORATE HEAD OFFICE

Access Bank Plc  
Plot 999c, Danmole Street,  
Victoria Island, Lagos.  
+234 01 2621040 - 41  
+234 01 2641517 - 72  
[info@accessbankplc.com](mailto:info@accessbankplc.com)  
[www.accessbankplc.com](http://www.accessbankplc.com)  
Company Registration Number: RC125384  
FRC No./2012/000000000271

### REGISTRAR

United Securities Limited  
10 Amodu Ojikutu Street  
Victoria Island, Lagos  
+234 01 730898  
+234 01 730891  
[www.unitedsecuritieslimited.com](http://www.unitedsecuritieslimited.com)



# MANAGEMENT TEAM

As at December 31, 2016

## EXECUTIVE DIRECTORS

Herbert Wigwe	Group Managing Director / CEO
Obinna Nwosu	Group Deputy Managing Director / COO
Victor Etuokwu	Personal Banking Division
Ojinika Olaghere	Operations and IT Division
Roosevelt Ogbonna	Commercial Banking Division
Elias Igbinakenzu	Corporate & Investment Banking Division
Titi Osuntoki	Business Banking Division

## GENERAL MANAGERS

Abiye Koko	Chief Information Officer
Adeyemi Odusanya	Group Head, Business Banking Lagos
Arinze Okeke	Group Head, Commercial Banking PH & East
Banjo Adegbohunbe	Group Head, Corporate Operations
Bolaji Agbede	Head, Group Human Resources
Dapo Olagunju	Group Treasurer
Gregory Jobome	Chief Risk Officer
Hadiza Ambursa	Group Head, Commercial Banking, North
Iyabo Soji-Okusanya	Group Head, Telecoms Group
Kalu Agwu	Group Head, Subsidiaries Transaction Services
Pattison Boleigha	Chief Conduct and Compliance Officer
Segun Ogbonnewo	Group Head, Channel Services
Seyi Kumapayi	Chief Financial Officer
Yinka Tiarniyu	Chief Audit Executive

## DEPUTY GENERAL MANAGERS

Abraham Aziegbe	Group Head, Retail Operations
Adebayo Adesina	Zonal Head, Commercial Banking Island Zone
Akeem Adesina	Head, IT Business Application
Aladepe Olajide	Zonal Head, Commercial Banking Ikeja Zone
Fatai Oladipo	Head, Corporate Counsel
Ifeanyi Emeziele	Head, Anti-Fraud Unit
Joyce Dimkpa	Group Head, Upstream Oil and Gas Group
Kameel Adebayo	Head, Conduct and Compliance, Subsidiaries
Lookman Martins	Group Head, Commercial Banking West
Maryann Ezechukwu	Group Head, Personal Banking Lagos Island and South
Nixon Iwedi	Group Head, Food and Beverages Group
Olumide Olatunji	Zonal Head, Commercial Banking Apapa Zone
Ope Wemi-Jones	Group Head, Women and Inclusive Banking Management
Robert Asibor	Group Head, Commercial Banking South
Tijjani Aliyu	Head of Risk, Commercial Banking Division
Yinka J. Abdulaheem	Head, Conduct & Compliance, Nigeria

## SUBSIDIARIES

Ayobami Adegoke	Chief Operating Officer, Access Bank Rwanda
Damos Solaru	Managing Director, Access Bank Sierra Leone
David Aluko	Managing Director, Access Bank Gambia
Dolapo Ogundimu	Managing Director, Access Bank Ghana
Ifeanyi Njoku	Managing Director, Access Bank Congo
Jamie Simmonds	Managing Director, The Access Bank UK
Jekwu Ozoemene	Deputy Managing Director, Access Bank Rwanda
Jean-Claude Karayenzi	Managing Director, Access Bank Rwanda
Joana Bannerman	Managing Director, Access Bank Zambia
Kola Ajimoko	Executive Director, Operations & IT, Access Bank Ghana

## ASSISTANT GENERAL MANAGERS

Adedoyin Coker	Group Head, Personal Banking Abuja
Adeleke Adekoya	Head, Digital Banking
Adesipe Ologun	Zonal Head, Retail Operations, North
Adewale Salami	Zonal Head, Retail Operations South South
Aina Akintonde	Head, Product and Segment Group
Amaechi Okobi	Head, Strategic Brand Management
Arinze Osuachala	Head, Subsidiaries Business Development and Planning
Ayokunle Olajubu	Group Head, Value chain Management Group
Babatope Ojo	Zonal Head, Retail Operations(South East)
Bolaji Durojaiye	Group Head, Credit Portfolio & Governance
Bolarinwa Animashaun	Zonal Head, Business Banking Apapa Zone
Chinwe Uzoho	Group Head, Personal Banking, Lagos Mainland and North
Chris Esezobor	Head, Channels Service
Dandy Ogiugo	Head Data Governance
David Ajayi	Group Head, Agric Business
Ganiyu Sanni	Head, Facilities, Projects and Properties
Halima Kyari	Group Head, Personal Banking, Victoria Island
Ikenna Nnaemeka	Zonal Head, Business Banking, Abuja Cadastral Zone
John Iyaji	Zonal Head, Business Banking North Central and North East
Kathleen Erhimu	Group Head, Business Banking Lagos Mainland 2
Mac Atom	Head, Investigation Unit
Mohammed Darma	Zonal Head, Commercial Banking Katzina Zone
Mohammed Usman	Zonal Head, Business Banking North West
Moses Chukwu	Group Head, Personal Banking Port Harcourt and South
Neka Adogbo	Group Head, Commercial Banking Group, Abuja
Nsikak Usoro	Head, Public Sector Group, Abuja
Ofem Ofem	Head, IT Infrastructural and Services
Olalekan Isola	Group Head, Franchise Group
Olasunmbo Olatunji	Country Treasurer
Oluwatoyin Oguntuyi	Group Head, Transportation and Household Utilities
Patrick Osadebe	Group Head, Business Banking South
Paul Asiemu	Head, Risk Analytics
Ralph Opara	Zonal Head, Commercial Banking Lagos Mainland
Sunday Ekwochi	Company Secretary
Titilola Ologe	Head, Financial Institutions
Tony Ibikunle	Head, Conduct and Compliance, Ghana
Victor Okafor	Group Head, Downstream Oil and Gas Group
Yewande Shoneye-Vaughan	Zonal Head, Business Banking Victoria Island

# DIRECTORS' REPORT

For the year ended 31 December, 2016

The Directors have pleasure in presenting their report on the affairs of Access Bank Plc (the "Bank") together with its subsidiaries (the "Group"), the Group and the Bank Audited Financial Statements with Auditor's Report for the Ended 31 December 2016.

## Legal form and principal activity

The Bank was incorporated as a private limited liability company on 8 February 1989 and commenced business on 11 May 1989. The Bank was converted to a public limited liability company on 24 March 1998 and its shares were listed on the Nigerian Stock Exchange on 18 November 1998. The Bank was issued a universal banking licence by the Central Bank of Nigeria on 5 February 2001.

The Bank's principal activities include the provision of money market products and services, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations.

The Bank has the following international banking subsidiaries: Access Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank (UK) Limited, Access Bank (Ghana) Plc, Access Bank Rwanda, Access Bank (D.R. Congo). The Bank also has Access Finance BV, an offshore Special Purpose Vehicle for the issuance of the U.S.\$350,000,000, 7.25 Per Cent Guaranteed Notes Due 2017 guaranteed by the Bank (There are only USD237,003,000 outstanding as at period end due to an exchange of USD 112,997,000 in Oct. 2016: see note 35). The Bank also operates a Representative office in China, UAE and Lebanon.

In furtherance of the objective of bringing the Bank's activities in compliance with the provisions of the Central Bank of Nigeria's Regulation on Scope of Banking Activities and Other Ancillary Matters, on the permitted activities for Commercial Banks with International Authorisation, the Bank is currently at the final stage of winding-up of Intercontinental Bureau de Change Limited, a subsidiary inherited from the defunct Intercontinent Bank Plc.

The financial results of all operating subsidiaries have been consolidated in these financial statements.

## Operating results

Highlights of the Group's operating results for the period are as follows:

	<b>Group Dec-16</b>	<b>Group Dec-15</b>	<b>Bank Dec-16</b>	<b>Bank Dec-15</b>
<i>In thousands of Naira</i>				
Gross earnings	381,320,783	337,404,230	331,000,972	302,061,975
Profit before income tax	90,339,456	75,038,117	80,579,576	65,177,914
Income tax expense	(18,900,109)	(9,169,344)	(16,553,441)	(6,253,169)
Profit for the period	71,439,347	65,868,773	64,026,135	58,924,745
Other comprehensive (loss)/gain	32,060,674	338,704	12,653,178	2,396,344
Total comprehensive income for the period	103,500,021	66,207,477	76,679,313	61,321,089
Non-controlling interest	2,258,752	408,813	-	-
Profit attributable to equity holders of the Bank	101,241,269	65,798,664	76,679,313	61,321,089

	<b>Group Dec-16</b>	<b>Group Dec-15</b>	<b>Bank Dec-16</b>	<b>Bank Dec-15</b>
<i>In thousands of Naira</i>				
Earnings per share - Basic (k)	250	265	221	237
Dividend (paid):				
Interim dividend paid	7,231,993	7,231,993	7,231,993	7,231,993
Final dividend declared in 2015 and paid in 2016	-	8,678,391	-	8,678,391
Proposed final dividend declared in 2016 to be paid in 2017	11,571,189	-	11,571,189	-

	<b>Group Dec-16</b>	<b>Group Dec-15</b>	<b>Bank Dec-16</b>	<b>Bank Dec-15</b>
<i>In thousands of Naira</i>				
Total equity	454,494,580	367,801,467	421,678,621	360,428,904
Total impaired loans and advances	39,438,630	24,416,535	31,546,928	19,996,906
Total impaired loans and advances to gross risk assets (%)	2.10%	1.70%	1.80%	1.50%



### Interim dividend

The Board of Directors proposed and paid an Interim Dividend of 25 Kobo per ordinary share (HY2015: 25K) payable to shareholders on register of shareholding at the closure date. Withholding Tax was deducted at the time of payment.

### Proposed dividend

The Board of Directors has proposed a Final Dividend of 40 kobo (FY 2015: 30 kobo) each payable to shareholders on register of shareholding at the closure date. Withholding tax will be deducted at the time of payment.

### Directors and their interests

The Directors who served during the period, together with their direct and indirect interests in the issued share capital of the Bank as recorded in the Register of Directors' Shareholding and as notified by the Directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act and listing requirements of the Nigerian Stock Exchange are noted below:

	Number of Ordinary Shares of 50k each held as at			
	31-Dec-16		31-Dec-15	
	Direct	Indirect	Direct	Indirect
M. Belo-Olusoga- Chairman	3,604,838	-	3,604,838	-
H. O. Wigwe - GMD/CEO	206,231,713	2,480,582,395	206,231,713	2,376,459,113
O. D Nwosu - GDMD	30,004,585	-	30,004,585	-
O. S. Otubu*	14,201,166	13,217,098	26,226,262	26,985,212
E. Chiejina	9,441,005	-	9,441,005	-
A. O. Ogunmefun	-	1,309,763	-	991,333
V.O. Etuokwu	13,579,889	-	13,579,889	-
R. C. Ogbonna - ED	28,000,558	-	28,000,558	-
O.N. Olaghere - ED	19,451,332	-	19,451,332	-
E. Igbinakenzua - ED**	18,145,477	-	18,145,477	-
T. Osuntoki - ED	28,728,854	-	28,728,854	-
P. Usoro	1,209,634	-	1,209,634	-
A. Awosika	-	-	-	-
E. Ndukwe	700,000	-	700,000	-
A. Mamman Tor Habib ***	-	-	-	-

\* Retired effective September 1, 2016

\*\* Resigned effective December 31, 2016

\*\*\* Appointed effective January 28, 2016

#### The indirect holdings relate to the holdings of the underlisted companies

H. O. Wigwe:	United Alliance Company of Nigeria Ltd.	=	1,075,468,437
	Trust and Capital Ltd.	=	1,405,113,958
O. S. Otubu:	Seaforce Insurance Brokers Ltd.	=	12,821,707
	Seaforce Investments Ltd.	=	395,391
A. O. Ogunmefun:	LOC Nominees Ltd.	=	1,309,763

### Directors' interest in contracts

In accordance with the provisions of Section 277 (1) and (3) of the Companies and Allied Matters Act of Nigeria, the Board has received a declaration of Interest from the under-listed Directors in respect of the companies (vendors to the Bank) set against their respective names.

Related director	Interest in entity	Name of company	Services to the Bank
Mosun Belo- Olusoga	Director/Shareholder	The KRC Ltd.	Training services
Oritsedere Otubu	Shareholder	Staco Insurance Plc	Insurance Services
Oritsedere Otubu	Director	Senforce Insurance Brokers Ltd	Insurance brokerage services
Oritsedere Otubu	Director	Eko Electricity Distribution Coy. Ltd.	Electricity Services
Paul Usoro	Director	Airtel Nigeria Ltd	Mobile telephone services
Paul Usoro	Shareholder	Paul Usoro & Co	Legal Advisory Service
Herbert Wigwe	Shareholder	Coronation Securities Ltd.	Brokerage services
Herbert Wigwe	Shareholder	Wapic Insurance Plc	Insurance Services
Emmanuel Chiejina	Director	Sumeru Nigeria Limited	Tele-marketing
Ojinika Olaghere	Shareholder	Wapic Insurance Plc	Insurance Services

**Analysis of shareholding:**

The shareholding pattern of the Bank as at 31 December 2016 is as stated below:

Range	Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
<b>Domestic Shareholders</b>				
1-5,000	660,001	80.65	617,782,180	2.14
5,001-10,000	65,876	8.05	450,728,829	1.56
10,001-50,000	70,694	8.64	1,419,116,782	4.91
50,001- 100,000	10,665	1.30	770,033,755	2.66
100,001-1,000,000	8,976	1.10	2,299,389,401	7.95
1,000,001-10,000,000	935	0.11	2,391,401,418	8.27
10,000,001 and above	176	0.02	17,539,853,849	60.63
	<b>817,323</b>	<b>99.88</b>	<b>25,488,306,214</b>	<b>88.11</b>
<b>Foreign Shareholders</b>				
1-1,000,000	978	0.12	21,437,386	0.07
1,000,001-10,000,000	4	0.00	9,647,715	0.03
10,000,001 and above	13	0.00	3,408,580,316	11.78
	995	0.12	3,439,665,417	11.89
<b>Total</b>	<b>818,318</b>	<b>100.00</b>	<b>28,927,971,631</b>	<b>100.00</b>

The shareholding pattern of the Bank as at 31 December 2015 is as stated below:

31 December 2015

Range	Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
<b>Domestic Shareholders</b>				
1-5,000	661,151	80.53%	619,731,295	2.14%
5,001-10,000	66,302	8.08%	454,352,983	1.57%
10,001-50,000	71,310	8.69%	1,438,351,292	4.97%
50,001- 100,000	10,841	1.32%	786,936,166	2.72%
100,001-1,000,000	9,192	1.12%	2,367,118,184	8.18%
1,000,001-10,000,000	997	0.12%	2,653,702,191	9.17%
10,000,001 and above	193	0.02%	18,759,861,886	64.85%
	<b>819,986</b>	<b>99.88%</b>	<b>27,080,053,997</b>	<b>93.61%</b>
<b>Foreign Shareholders</b>				
1-1,000,000	965	0.12%	23,176,074	0.08%
1,000,001-10,000,000	5	0.00%	15,376,828	0.05%
10,000,001 and above	8	0.00%	1,809,364,732	6.25%
	978	0.12%	1,847,917,634	6.39%
<b>Total</b>	<b>820,964</b>	<b>100%</b>	<b>28,927,971,631</b>	<b>100%</b>

**Substantial Interest in Shares**

According to the register of members at 31 December 2016, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

	31 December 2016		31 December 2015	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Stanbic Nominees Nigeria Limited*	4,622,161,946	16.00%	4,283,583,626	14.79%
Blakeney GP	1,969,087,968	6.80%	1,763,244,933	6.08%

\*Stanbic Nominees held the shares as custodian for various investors. Stanbic Nominees does not exercise any right over the underlying shares. All the rights resides with the various investors on behalf of whom Stanbic Nominees carries out the custodian services.

**Donations and Charitable Gifts**

The Bank identifies with the aspirations of the community and the environment in which it operates. The Bank made contributions to charitable and non-charitable organisations amounting to N285,339,153 (December 2015: N346,628,505) during the period, as listed below:

S/N	Beneficiary	Purpose	Amount
1	Malaria to Zero Initiative	Support towards eliminating malaria in Nigeria through malaria to zero initiative platform	55,000,000
2	Global Business Coalition Health	Contribution to the GBC health	39,375,000
3	Institute of Human Virology Nigeria	Support for construction of the Institute of Human Virology Nigeria Research Center	38,823,650
4	Health and Environmental Development Agency	Support for HEDA on project safe water initiative	21,750,000
5	National Youth Service Corps	Support for national youth service corps programmes	11,913,890



S/N	Beneficiary	Purpose	Amount
6	Ikota Educational Project	Support for Ikota educational foundation project	10,000,000
7	Hacey Health Initiative	Support for code for impact initiative	10,000,000
8	Center for Youth Studies	Support for center for youth studies	9,450,000
9	Run for a Cure Africa	Support for world cancer day	9,340,265
10	Hacey Health Initiative	Support of the world AIDS day	9,000,000
11	Nigerian Stock Exchange	Sponsorship for 2016 NSE competition	7,531,500
12	United Nations Population Fund	Support for 2016 women deliver conference	7,500,000
13	UN Women	Sponsorship of UN women empowerment principles meeting	8,250,000
14	University of Nigeria, Nsukka	Payment for ICT building renovation/UNN	6,064,848
15	Glo Initiative for Economic Empowerment (GIEE)	Support for GIEE on world environment day	5,000,000
16	Dreamland Foundation	Support for the Dreamland Foundation	5,000,000
17	Financial Nigeria International	Partnering with Financial Nigeria International	4,250,000
18	Light House Global	Support for life blood donation initiative	4,000,000
19	Nirvana Initiative	Support of the world sickle cell day initiative	4,000,000
20	HACEY's Health Initiative	Support towards world malaria day	3,500,000
21	Boys Brigade Nigeria	Support for boy's brigade Nigeria vocational training	3,000,000
22	Green Impact International	Support for green impact international initiative	3,000,000
23	Nigeria Business Coalition Against Aids (NiBUCAA)	Support for NiUBAA round table meeting	2,090,000
24	Run for a Cure Africa	Support towards breast cancer awareness campaign organized by run for a cure Africa	2,000,000
25	Care Trust International Ltd.	Support to stop child labor initiative	2,000,000
26	Centre for Youths Studies	Support towards Centre for Youth Studies	1,500,000
27	Kebbi State Government	Support for mass literacy for less privileged in Kebbi State	1,000,000
28	Medicaid Cancer Foundation	Sponsorship of fundraising event for medic aid cancer foundation	1,000,000

**285,339,153**

### Property and Equipment

Information relating to changes in property and equipment is given in to the financial statements. In the Directors' opinion, the fair value of the Group's property and equipment is not less than the carrying value in the financial statements.

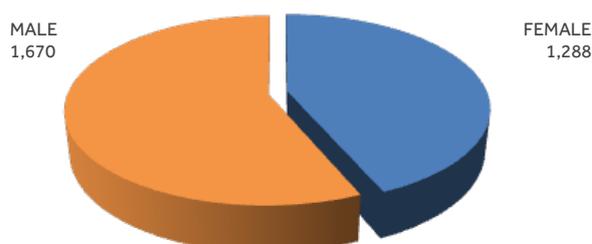
### Human Resources

#### (i) Report on Diversity in employment

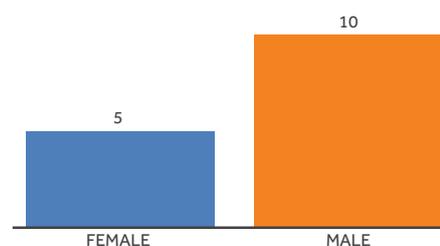
The Bank operates a non-discriminatory policy in the consideration of applications for employment. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding our customers' needs and creatively addressing them.

#### (a) Composition of Employees by Gender



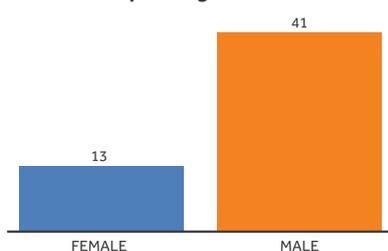
#### (b) Board Composition by Gender



#### (c) Top Management (Executive Director To CEO) Composition By Gender

Total number of women in Executive Management position	2
Total number of persons in Executive Management position	7

#### (d) Top Management (AGM To GM) Composition By Gender



#### (ii) Employment of Disabled Persons

In the event of any employee becoming disabled in the course of employment, the Bank will endeavour to arrange appropriate training to ensure the continuous employment of such a person without subjecting the employee to any disadvantage in career development.

#### (iii) Health, Safety and Welfare of Employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank retains

top-class hospitals where medical facilities are provided for its employees and their immediate families at its expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates a Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 as Amended and other benefit schemes for its employees.

**(iv) Employee Involvement and Training**

The Bank encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. Towards this end, the Bank provides opportunities where employees deliberate on issues affecting the Bank and its employees' interests, with a view to making inputs to decisions thereon. The Bank places a high premium on the development of its manpower. Consequently, the Bank sponsors its employees for various training courses, both locally and overseas.

**(v) Statement of Commitment to Maintain Positive Work Environment**

The Bank shall strive to maintain a positive work environment that is consistent with best practice to ensure that business is conducted in a positive and professional manner and to ensure that equal opportunity is given to all qualified members of the Group's operating environment.

**Credit Ratings**

"The revised prudential guidelines, as released by the CBN, requires that banks should have themselves credit rated by a credit rating agency on a regular basis. It is also required that the credit rating be updated on a continuous basis from year to year.

Furthermore, it is required that banks should disclose this credit rating prominently in their published annual reports periodically."

Below are the credit ratings that Access Bank has been assigned by the various credit rating agencies that have rated the Bank, in no particular order:

**Long Term Local Credit Ratings**

	<b>Long Term</b>	<b>Date</b>
Standard & Poor's	BBB	Oct-16
FitchRatings	A	Jun-16
Agusto & Co	A+	Jun-16
Global Credit Ratings Co. (GCR)	A+	Jul-16
Moody's	Aa2	Nov-16

**Long Term Counterparty Credit Ratings**

	<b>Long Term</b>	<b>Date</b>
Standard & Poor's	B	Oct-16
FitchRatings	B	Jun-16
Moody's	B1	May-16

More information on the rating reports can be obtained at <https://www.accessbankplc.com/credit-rating>

**Audit committee**

Pursuant to Section 359(3) of the Companies and Allied Matters Act of Nigeria, the Bank has an Audit Committee comprising three Directors and three shareholders as follows:

1	*Mr. Henry Omatsola Aragho	-	Shareholder	Chairman
2	Mr Emmanuel Olutoyin Eleoramo	-	Shareholder	Member
3	Mr Idaere Gogo Ogan	-	Shareholder	Member
4	**Mr Oritsedere Otubu	-	Non-Executive Director	Member
5	Dr. Ernest Ndukwe	-	Independent Director	Member
6	Dr. (Mrs.) Ajoritsedere Awosika	-	Independent Director	Member

\* Appointed Chairman of the Committee effective July 27, 2016.

\*\* Resigned from the Committee effective September 1, 2016 following his retirement from the Board. He was replaced by Mr. Abba Mamman Tor Habib, a Non-Executive Director

The functions of the Audit Committee are as provided in Section 359(6) of the Companies and Allied Matters Act of Nigeria.

The auditors, PricewaterhouseCoopers have indicated their interest to continue in office and will do so pursuant to section 357(2) of the Companies and Allied Matters Act

BY ORDER OF THE BOARD



Sunday Ekwochi  
Company Secretary  
FRC/2013/NBA/00000005528

Plot 999c, Danmole Street,  
Victoria Island, Lagos.  
Lagos



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🌐 [www.accessbankplc.com](http://www.accessbankplc.com)





## Governance

# CORPORATE GOVERNANCE

**What matters to us is not just what we do but the way we do it. In fact the only way to ensure that tomorrow is secure is if we are all secure in every sense. That naturally means following legislation and accepted processes and the procedures associated with it, but that is just the beginning.**

For a business which is staking its claim to being the World's Most Respected African Bank, it means not just following but leading, in the ways in which we monitor and judge ourselves, in our relationships with our employees, shareholders, stakeholders and the wider community, in the ways in which we govern ourselves, from our Board through to our governing committees, and how we choose the individuals who serve on them.

It is also about taking a lead in the ways in which we reward ourselves. In the ways in which we codify our behaviour. In the ways in which there is an opportunity to speak out if we ever fall short. And in the clarity and transparency which is a hallmark of all that we do.

It is only by taking leadership in all these areas that true security is achieved. Today and for the tomorrows to come.

The Bank and its subsidiaries (the Group) are governed under a framework that enables the Board to discharge

its oversight functions while providing strategic direction to the Bank in balance with its responsibility to ensure regulatory compliance. The subsidiaries comply with the statutory and regulatory requirements of their host countries and also align their governance framework to the Bank's governance framework.

This report documents the Group's corporate governance practices that were in place during the Financial Year Ended December 31, 2016.

The Board is responsible for embedding high standards of corporate governance across the Group, which is essential for the sustainability of the brand. Our governance framework is designed to ensure on-going compliance with the Code of Corporate Governance issued by the Central Bank of Nigeria ('the CBN Code') and the Securities and Exchange Commission's Code of Corporate Governance ('the SEC Code') as well as the Post-Listing Requirements of the Nigeria Stock Exchange. These, in addition to the



Board Charter and the Bank's Memorandum and Articles of Association, collectively provide the foundation for sound corporate governance. Our core values of excellence, innovation, leadership, passion for customers, professionalism and empowered employees continue to define our corporate behaviour.

### Performance Monitoring and Evaluation

The Board in the discharge of its oversight function continuously engages Management in the planning, definition and execution of strategy. Management's report on the execution of defined strategic objectives is a regular feature of the Board's agenda, thus providing the Board with the opportunity to evaluate and constructively challenge management in the execution of strategy.

The Bank's performance on Corporate Governance is continuously being monitored and reported. We carry out quarterly and semi-annual reviews of our compliance with the CBN Code and the SEC Code respectively, and render reports to the regulators. It is important to periodically obtain an independent perspective on the effectiveness of the Board and so, for 2016, Accenture Limited was engaged to conduct an Independent Board Evaluation. The independent consultant does not have any connection with the Group or any of its directors. The Board believes that the use of an independent consultant not only encourages directors to be more candid in their evaluation of the Board's performance, but also enhances the objectivity and transparency of the evaluation process.

The result of the Board performance evaluation was presented by the independent consultant during the Board Meeting held on January 26, 2017, and is contained in page 21. The evaluation was a 360 degree on-line survey covering directors' self-assessment, peer assessment and evaluation of the Board and the Committees. The effectiveness of the Independent Directors vis-à-vis the CBN's Guidelines on Independent Directors of Banks was also evaluated. The result confirmed that the individual directors and the Board continue to operate at a very high level of effectiveness and efficiency.

In compliance with the CBN Code, the Annual Board Performance Evaluation Report for the year 2015 was presented to shareholders at the Annual General Meeting held on April 27, 2016.

### Appointment, Retirement and Re-election of Directors

The Board has put in place a formal process for the selection of new directors to ensure the transparency of the nomination process. The process is documented in the Fit and Proper Person Policy and is led by the Board Governance and Nomination Committee. The Committee identifies candidates for appointment as director in consultation with the Chairman, the Group Managing Director and/or any other director, or through the use of search firms or such other methods as the Committee deems necessary to identify candidates. Once candidates have been identified, the Committee shall confirm that the candidates meet the qualifications

for director nominees set forth in the policy and relevant statutes and regulations. The Committee may gather information about the candidates through interviews, questionnaires, enhanced due diligence checks, or any other means that the Committee deems helpful in the evaluation process. The Committee meets to discuss and evaluate the qualities and skills of each candidate, taking into account the overall composition and needs of the Board. Based on the results of the evaluation process, the Committee recommends candidates to the Board for appointment as director subject to the approval of shareholders and the Central Bank of Nigeria.

In accordance with the Bank's Articles of Association, Mr. Emmanuel Chiejina, Mrs Anthonia Kemi Ogunmefun and Dr. (Mrs) Ajoritsedere Awosika retired at the Bank's 27th Annual General Meeting held on April 17, 2016 and being eligible were duly re-elected by shareholders. The shareholders also elected Mr. Abba Mamman Tor Habib, who was earlier appointed by the Board, as a Non-Executive Director. The Board confirmed that following a formal evaluation, these four directors continued in 2016 to demonstrate strong commitment to their role as Non-Executive Directors.

In the course of the year, Mr. Oritsedere Samuel Otubu retired from the Board effective September 1, 2016, following his successful completion of the maximum 12 years term limit prescribed by the CBN Code for Non-Executive Directors of banks. Until his retirement, he was the Chairman of the Board Credit and Finance Committee and member of three other Board Committees. In the course of the year, Mr Elias Igbinakenzua also resigned his position as a director to pursue his entrepreneurial ambition. Until his resignation, he was the Executive Director, Corporate and Institutional Banking Division. The Board commends Messrs Otubu and Igbinakenzua for their outstanding contributions to the progress of the Bank and wishes them success in their future endeavours.

In recognition of the increasing size, complexity and risk associated with the Bank's products and services, the Board on October 28, 2016 appointed Dr. Gregory Ovie Jobome as Executive Director, Risk Management upon the recommendation of the Governance and Nomination Committee.

The Board also upon the recommendation of the Governance and Nomination Committee, appointed the Messrs Adeniyi Ademola Adekoya and Iboroma Tamunoemi Akpana as Independent Non-Executive Director on December 16, 2016.

In accordance with the Bank's Articles of Association, one third of all Non-Executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with directors appointed by the Board since the last Annual General Meeting. In keeping with this requirement, Mrs Mosun Belo-Olusoga and Mr. Paul Usoro, will retire during this Annual General Meeting and being eligible for re-election will submit themselves

for re-election. The Board confirms that following a formal evaluation, these two directors continue to demonstrate commitment to their role as Non-Executive Directors. Also in line with the provisions of the Bank's Articles of Association and following Central Bank of Nigeria's approval, the newly appointed directors will submit themselves for election at the Annual General Meeting. The Board confirms its conviction that the directors standing for election or re-election will continue to add value to the Bank. The Board recommends that they should be elected to maintain the required balance of skill, knowledge and experience on the Board. The biographical details of the directors standing for election or re-election are set out on page 280-281 of this Annual Report.

### Shareholder Engagement

The Board recognises the importance of ensuring the flow of complete, adequate and timely information to shareholders to enable them make informed decisions. The Board is committed to maintaining high standards of corporate disclosure. Our comprehensive investor engagement strategy helps us to understand shareholders views about us, which are communicated regularly to the Board.

Shareholders' meetings are convened and held in an open manner in line with the Bank's Articles of Association and existing statutory and regulatory regimes, for the purpose of deliberating on issues affecting the Bank's strategic direction. The Annual General Meeting is a medium for promoting interaction between the Board, management and shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies, while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, the Central Bank of Nigeria and the Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of meetings. An Extraordinary General Meeting may also be convened at the request of the Board or shareholders holding not less than 10% of the Bank's Paid-Up Capital.

The Group has a dedicated Investor Relations Unit which focuses on facilitating communication with shareholders and analysts on a regular basis and addressing their queries and concerns. Investors and stakeholders are frequently provided with information about the Bank through various channels, including Quarterly Investors Conference Calls, the General Meeting, the website, the Annual Report and Accounts, Non-Deal Road Shows and the Investors Forum at the Stock Exchange.

The Bank has a robust Investor Communication and Disclosure Policy. As provided in the policy, the Board and management ensure that communication with the investing public about the Bank and its subsidiaries is timely, factual, broadly disseminated and accurate in accordance with all applicable legal and regulatory requirements. The Bank's reports and communications to shareholders and other stakeholders are in plain, readable and understandable format. The Bank's website [www.accessbankplc.com](http://www.accessbankplc.com)

is regularly updated with both financial and non-financial information. The details of the Investors' Communication and Disclosure Policy are available at the Investor Portal on the Bank's website.

The Board ensures that shareholders' statutory and general rights are protected at all times, particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions. Our shareholders are encouraged to share in the responsibility of sustaining the Bank's corporate values by exercising their rights as protected by law.

### Access to Information and Resources

Management recognises the importance of ensuring the flow of complete, adequate and timely information to the directors on an ongoing basis to enable them to make informed decisions in discharge of their responsibilities. There is ongoing engagement between Executive Management and the Board, and the Heads of Strategic Business Units are invited to Board meetings to make presentations. The Bank's External Auditors attend the Group Board Audit Committee and the Group Shareholders Audit Committee Meetings to make presentations on the audit of the Group's Financial Statements. Directors have unrestricted access to Group management and company information in addition to access to external professional advice at the Bank's expense as provided by the Board and Committees' charters.

### The Board

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. It has the overall responsibility for reviewing the strategic plans and performance objective, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance review and corporate governance practices. The Board is the Group's highest decision-making body responsible for governance. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders, which is critical to sustainable growth.

### Composition and Role

The Board was composed of 15 members made up of eight Non-Executive Directors and seven Executive Directors, as set out below. Two of the Non-Executive Directors are Independents and meet the criteria set by the CBN's Guidelines on Independent Directors of Banks in Nigeria.



SN	NAMES	GENDER	DESTINATION
1	Mrs Mosun Belo-Olusoga	Female	Chairman
2	* Mr Oritsedere Samuel Otubu	Male	Non-Executive Director
3	Mr Emmanuel Chiejina	Male	Non-Executive Director
4	Mrs Anthonia Kemi Ogunmefun	Female	Non-Executive Director
5	Mr Paul Usoro	Male	Non-Executive Director
6	Dr Ernest Ndukwe	Male	Independent Non-Executive Director
7	Dr (Mrs) Ajoritsedere Awosika	Female	Independent Non-Executive Director
8	Mr. Abba Mamman Tor Habib ***	Male	Non-Executive Director
9	Mr Herbert Wigwe	Male	Group Managing Director / CEO
10	Mr Obinna Nwosu	Male	Group Deputy Managing Director / COO
11	Mr Victor Etuokwu	Male	Executive Director
12	Mrs Ojinika Olaghere	Female	Executive Director
13	**Mr Elias Igbinakenzua	Male	Executive Director
14	Mr Roosevelt Ogbonna	Male	Executive Director
15	Mrs Titi Osuntoki	Female	Executive Director

\*Retired September 1, 2016

\*\* Resigned December 31, 2016

\*\*\* Appointed January 28, 2016

In line with best practice, the Chairman and Chief Executive Officer roles are assumed by different individuals; this ensures the balance of power and authority. The Board is able to reach impartial decisions as its Non-Executive Directors are a blend of Independent and Non-Independent Directors with no shadows or Alternate Directors, which ensures that independent thought is brought to bear on decisions of the Board. The effectiveness of the Board derives from the diverse range of skills and competencies of the Executive and Non-Executive Directors who have exceptional degrees of banking, financial and broader entrepreneurial experiences.

With the retirement of Mr. Oritsedere Otubu in September 2016, the Bank had 14 directors comprising equal number of Executive and Non-Executive Directors. The Board has identified candidates to fill the resultant vacancies. They will be presented to the shareholders for approval during the Meeting.

In carrying out its oversight functions, matters reserved for the Board include but are not limited to:

- Defining the Bank's business strategy and objectives.
- Formulating risk policies.
- Approval of quarterly, half yearly and full year financial statements.
- Approval of significant changes in accounting policies and practices.
- Appointment and removal of Directors and the Company Secretary.
- Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure.
- Approval of charter and membership of Board Com-

mittees.

- Setting of annual Board objectives and goals.
- Approval of allotment of shares.
- Appointment and removal of the Chief Audit Executive.
- Approval of the framework for determining the policy and specific remuneration of Executive Directors.
- Monitoring delivery of the strategy and performance against plan.
- Reviewing and monitoring the performance of the Group Managing Director and the executive team.
- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and Senior Executives.
- Ensuring effective communication with shareholders.
- Ensuring the integrity of financial reports by promoting disclosure and transparency.
- Succession planning for key positions.

#### Appointment Process, Induction and Training of Board Members

The Group's Fit and Proper Person Policy is designed to ensure that the Bank and its subsidiary entities are managed and overseen by competent, capable and trustworthy individuals. In making Board appointments, the Board takes cognisance of the knowledge, skill and experience of a potential Director as well as other attributes considered necessary for the role. The Board also considers the need for appropriate demographic and gender representation. Candidates are subjected to enhance due diligence enquiries as required by regulations.

The Governance and Nomination Committee is respon-

sible for both Executive and Non-Executive Directors succession planning and recommends new appointments to the Board. The Committee takes cognisance of the existing range of skills, experience, background and diversity on the Board in the context of the strategic direction of the Bank before articulating the specifications for the candidate sought. We are comfortable that the Board is sufficiently diversified to optimise its performance.

The Board ensures the regular training and education of Board members on issues pertaining to their oversight functions. Regarding new directors, there is a personalised induction programme which includes one-on-one meetings with Executive Directors and Senior Executives responsible for the Bank's key business areas. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction programme

covers an overview of the strategic business units as well as Board processes and policies. A new director receives an induction pack which includes charters of the various Board Committees, significant reports, important legislation and policies, minutes of previous Board Meetings and a Calendar of Board Activities.

The Board believes that a robust induction and continuing professional development will improve directors' performance. It ensures that directors have appropriate knowledge of the Bank and access to its operations. Directors are therefore required to participate in periodic, relevant continuing professional development programmes to update their knowledge. The table below provides the details of continuing education programmes undertaken by directors in 2016.

SN	NAMES OF DIRECTOR	TRAINING	ORGANISER	LOCATION	DATE	DAYS
1	Mr. Emmanuel Chiejina	Blue Ocean Strategy	Insead,	France	May 30, June 2, 2016	4
2	Mr. Oritsedere Otubu	International Directors Programme	Insead,	France	May 30, June 2, 2016	4
3	Dr. Ajoritsedere Awosika	Business Innovation	Harvard,	USA	June 22-June 25, 2016	4
4	Mrs. Mosun Belo-Olusoga	Corporate Strategy	Chicago Booth,	USA	October 3-7, 2016	5
5	Mrs. Anthonia Kemi Ogunmefun	Corporate Strategy	Chicago Booth	USA	October 3-7, 2016	5
6	Mr. Roosevelt Ogbonna	IMD-CKGSB-Executive MBA	IMD	Switzerland	June 22-July 1, 2016	10

In addition to the above trainings, the Board also held a two day Risk Master Class on October 26-27, 2016 at Federal Palace Hotel, Lagos, which was attended by all the directors.

### Delegation of Authority

The ultimate responsibility for the Bank's operations rests with the Board. The Board retains effective control through a well-developed Committee structure that provides in-depth focus on the Board's responsibilities. Each Board Committee has a written terms of reference and presents regular reports to the Board on its activities. The Board delegates authority to the Group Managing Director to manage the affairs of the Group within the parameters established by the Board from time to time.

### Board Meetings

The Board meets quarterly and emergency meetings are convened as may be required. The Annual Calendar of Board and Committee meetings is approved in advance during the last quarter of the preceding year. Material decisions may be taken between meetings through written resolutions in accordance with the Bank's Articles of Association. The Annual Calendar of Board Activities includes a Board Retreat at an offsite location to consider strategic matters and review the opportunities and challenges facing the institution.

All directors are provided with notices, agenda and meeting papers in advance of each meeting to enable them to prepare adequately for meeting. Where a director is unable to attend a meeting he/she is still provided with the relevant papers for the meeting. Such a Director also reserves the

right to discuss with the Chairman any matter he/she may wish to raise at the meeting. Directors are also provided with regular updates on developments in the regulatory and business environment.

The Board met 10 times in 2016. The Board also held its 8th Annual Board Retreat on February 26-27 2016 at Accra, Ghana to discuss strategic issues affecting the Bank. The Board operates a secure electronic portal, Diligent Boardbook, for the distribution of board papers to members. This underscores the Board's commitment to embrace environment sustainability by reducing paper usage.

### Board Committees

The Board carries out its oversight function through its standing committees, each of which has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any committees. The Board has five standing committees, namely: the Risk Management Committee, the Audit Committee, the Governance and Nomination Committee, the Remuneration Committee, and the Credit and Finance Committee. The Board accepts that while the Board Committees have the authority to examine a particular issue and report to the Board with their decisions and/or recommendations, the ultimate responsibilities on all matters lie with the Board. The composition and responsibilities of the committees are set out below:



NAMES OF DIRECTORS	BAC	BRMC	BCFC	BGNC	BRC
Mosun Belo-Olusoga <sup>1</sup>	-	-	-	-	-
Oritsedere Otubu <sup>1</sup>	M	-	M	M	C
Emmanuel Chiejina <sup>1</sup>	-	C	M	C	M
*Anthonia Kemi Ogunmefun <sup>1</sup>	-	M	M	M	M
Paul Usoro <sup>1</sup>	M	M	M	M	M
Ernest Ndukwe <sup>3</sup>	C	M	M	M	M
**Ajoritsedere Awosika <sup>3</sup>	M	-	C	M	M
Abba Mamman Tor Habib <sup>1</sup>	M	M	M	-	-
Herbert Wigwe <sup>2</sup>	-	M	M	M	-
Obinna Nwosu <sup>2</sup>	-	M	M	-	-
Victor Etuokwu <sup>2</sup>	-	-	M	-	-
Ojinika Olaghere <sup>2</sup>	-	M	-	-	-
Elias Igbinkenazua <sup>2</sup>	-	-	M	-	-
Roosevelt Ogbonna <sup>2</sup>	-	-	M	-	-
Titi Osuntoki <sup>2</sup>	-	-	M	-	-

- \* Appointed Chairman of BRC on September 1, 2016 following the retirement of Mr. Otubu
- \*\* Appointed Chairman of BCFC on September 1, 2016 following the retirement of Mr. Otubu
- C Chairman of Committee
- M Member
- Not a member
- 1 Non- Executive
- 2 Executive
- 3 Independent
- BAC Board Audit Committee
- BRMC Board Risk Management Committee
- BCFC Board Credit and Finance Committee
- BGNC Board Governance and Nomination
- BRM Board Remuneration Committee

### Credit and Finance Committee

The Committee considers and approves loan applications above certain limits (as defined by the Board from time to time) which have been recommended by the Management Credit Committee. It also acts as a catalyst for credit policy change and oversees the administration and effectiveness of the Bank's credit policies. The Committee met 16 times during the 2016 financial year.

The Committee's key activities during the period included review and approval of credit facilities, review of the Credit Portfolio and the collateral for same, monitoring the implementation of credit risk management policies, and approval of the amendment to the Credit Policy Guide. Dr. Mrs Ajoritsedere Awosika succeeded Mr. Oritsedere Otubu as the Chairman of the Committee following the latter's completion of the term limit on September 1, 2016.

Dr. Awosika is an accomplished administrator with over three decades of experience in public sector governance. She was at various times the Permanent Secretary in the Federal Ministry of Internal Affairs, the Federal Ministry of Science & Technology, and the Federal Ministry of Power. She is a fellow of the Pharmaceutical Society of Nigeria and the West African Postgraduate College of Pharmacy.

She sits on the boards of Capital Express Assurance Ltd and Chams Plc. Dr. Awosika holds a doctorate degree in pharmaceutical technology from the University of Bradford, United Kingdom. She was appointed to the Board in April 2013 and serves as the Vice Chairman of the Board Audit Committee.

### Governance and Nomination Committee

The Committee advises the Board on its oversight responsibilities in relation to all matters on corporate governance, sustainability and nominations affecting the Bank, the directors and employees. It is responsible for determining and executing the processes for Board appointments, nominations and removal of non-performing directors.

The key decisions of the Committee in the reporting period included approval of the amendment to the Staff Handbook, approval of the 2016 Non-Executive Directors Training Plan and budget, recommendation of appointment of directors; recommendation of policy on Group Grade Structure, amendment of the Staff Disciplinary Code and Staff Handbook, approval of the Bank Succession Plan, and recommendation of Senior Management employees for subsidiary board appointments. The Committee met six times during the period.

Mr. Emmanuel Chiejina chaired the Committee. Mr. Chiejina is the Chairman and CEO of Ashbard Energy Company Ltd. He retired as Deputy Managing Director of Elf Petroleum (Total E&P) in 2007. He obtained a law degree from University of Lagos in 1975 and was called to the Nigerian Bar in 1976. Mr. Chiejina has attended Professional Development programmes at Columbia University, Cranfield Institute of Technology, European Institute of Business Administration (INSEAD), University of London, London Business School and Harvard Business School. Mr Chiejina joined the Board in June 2005. He also chairs the Risk Management Committee.

### Risk Management Committee

The Committee assists the Board in fulfilling its oversight responsibility relating to establishment of policies, standards and guidelines for risk management, and compliance with legal and regulatory requirements. In addition, it oversees the establishment of a formal written policy on the overall risk management system. The Committee also ensures compliance with established policies through periodic review of management's reports and ensures the appointment of qualified officers to manage the risk function. It evaluates the Bank's risk policies on a periodic basis to accommodate major changes in internal or external environment.

During the period under review the Committee considered and recommended some policies to the Board for approval. The Committee also received reports from all the risk areas and recommended the Bank's Internal Capital Adequacy Assessment Programme, the Internal Liquidity Adequacy Assessment Programme, and the Conduct and Compliance Group Plan for 2017 for the Board's approval.

The Committee met four times during the period.

The Committee is chaired by Mr. Emmanuel Chiejina.

### Audit Committee

The Committee supports the Board in meeting its oversight responsibility relating to the integrity of the Bank's Financial Statements and the financial reporting process, as well as the independence and performance of the Bank's Internal and External Auditors. It oversees the Bank's system of internal control and the mechanism for receiving complaints regarding the Bank's accounting and operating procedures. The Bank's Chief Internal Auditor and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee.

The key issues considered by the Committee during the period included the review and recommendation of Audited Full Year and Interim Financial Statements, the Internal and Statutory Audit Plans, reports of the Group Internal Auditor and Internal Audit Consultants. The Committee also reviewed the whistle-blowing reports. The Committee met seven times during the reporting period.

The Committee is chaired by Dr. Ernest Ndukwe, an Independent Director. He graduated from the University of Ife in 1975 and is an alumnus of Lagos Business School. He is a fellow of the Nigerian Society of Engineers, the Nigerian Institute of Management and the Nigerian Academy of Engineering. Other members of the Committee have relevant financial management and accounting backgrounds, as required by regulations.

### Remuneration Committee

The Committee advises the Board on its oversight responsibilities in relation to remuneration of the Bank's directors and employees. It is responsible for determining and executing the processes for recommending appropriate remuneration for directors and employees. In carrying out its function, the Committee will benchmark the salary and benefit structure to similar-sized banks. It also advises the Board on employee benefit plans such as pension, share ownership and other retirement plans, and material amendments thereto.

The key issues considered by the Committee during the period included the review and recommendation of the amendment to the International Posting Policy to the Board for approval and consideration of Remuneration Survey reports for the Group Office and the subsidiary entities. The Committee met once during the reporting period.

Mrs. Anthonia Kemi Ogunmefun succeeded Mr. Oritsedere Otubu as the Chairman of the Remuneration Committee. She is the Managing Partner of Kemi Ogunmefun Law Office, a Canadian based private legal practice specialising in Immigration Law, Family Law, Real Estate and Corporate Law. She served as the Chairperson of Governance Committee of Kinark Child and Family Services, a major Canadian Childcare Trust. Mrs. Ogunmefun obtained a Bachelor of Laws degree from University of Lagos in 1974 and was called to the Nigerian Bar in 1975 and the Law Society of Upper Canada in 2004. She was appointed to the Board in April 2011.

Attendance at Board and Board Committee meetings  
The table below shows the attendance of directors to meetings during the reporting period.

	NAMES OF DIRECTORS	GM	BoD	BRMC	BCFC	BGNC	BRC	BAC
	<b>Number of Meetings Held</b>	<b>1</b>	<b>10</b>	<b>4</b>	<b>16</b>	<b>6</b>	<b>1</b>	<b>7</b>
<b>SN</b>	<b>Attendance:</b>							
1	Mosun Belo-Olusoga	1	10	N/A	N/A	N/A	N/A	N/A
2	*Oritsedere Samuel Otubu	1	7	N/A	11	3	1	5
3	Emmanuel Chiejina	1	10	4	15	6	1	N/A
4	Anthonia Ogunmefun	1	10	4	16	6	1	N/A
5	Paul Usoro	1	10	4	15	6	1	6
6	Ernest Ndukwe	1	10	4	15	6	1	7
7	Ajoritsedere Awosika	1	10	NA	14	6	1	7
8	**Abba M.T Habib	1	8	2	10	N/A	N/A	4
9	Herbert Wigwe	1	10	4	15	6	N/A	N/A
10	Obinna Nwosu	1	7	4	8	N/A	N/A	N/A
11	Victor Etuokwu	1	10	N/A	13	N/A	N/A	N/A
12	Ojinika Olaghere	1	9	4	N/A	N/A	N/A	N/A
13	Elias Igbinakenzua	1	9	N/A	13	N/A	N/A	N/A
14	Titi Osuntoki	1	9	N/A	13	N/A	N/A	N/A
15	Roosevelt Ogbonna	0	8	N/A	14	N/A	N/A	N/A

\* Mr. Oritsedere Otubu retired as Director effective September 1, 2016

\*\* Mr Abba M.T Habib was appointed to the Board on January 28, 2016 and appointed to Committees in April, 2016.

GM General Meeting  
BoD Board of Directors  
BRMC Board Risk Management Committee  
BCFC Board Credit and Finance Committee  
BGNC Board Governance and Nomination Committee  
BAC Board Audit Committee  
BRC Board Remuneration Committee



### Executive Committee

The Executive Committee (EXCO) is made up of the Group Managing Director as Chairman, the Group Deputy Managing Director and all Executive Directors. The Committee is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Bank's resources.

### Management Committees

These are standing committees made up of the Bank's Executive and Senior Management staff. The Committees are set up to identify, analyse and make recommendations on risks pertaining to the Bank's day to day activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and also provide input to the various Board Committees in addition to ensuring the effective implementation of risk policies. These Committees meet as frequently as risk issues occur and take actions and decisions within the ambit of their powers.

The Management Committees include the Management Credit Committee, the Asset and Liabilities Committee, the Enterprise Risk Management Committee, the Operational Risk Management Committee, the Criticised Assets Committee and the IT Steering Committee.

### Statutory Audit Committee

In compliance with Section 359 of the Companies and Allied Matters Act 1990, the Bank has a Standing Shareholders Audit Committee made up of three Non-Executive Directors and three shareholders. The composition of the Committee is as set out below.

1	Mr. Henry Omatsola Aragho	Shareholder	Chairman
2	Mr. Emmanuel Olutoyin Eleoramo	Shareholder	Member
3	Mr. Idaere Gogo Ogan	Shareholder	Member
4	Dr. (Mrs.) Ajoritsedere Awosika	Independent Director	Member
5	Dr. Ernest Ndukwe	Independent Director	Member
6	*Mr. Oritsedere Otubu	Non-Executive Director	Member

\* Retired from the Committee on September 1, 2016 following his retirement from the Board. He was succeeded by Mr. Abba M.T Habib, a Non-Executive Director.

The Committee is constituted to ensure its independence, which is fundamental to upholding stakeholders' confidence in the reliability of the Committee's report and the Group's Financial Statements. There is no Executive Director sitting on the Committee. The Chairman of the Committee is an ordinary shareholder, while the shareholders representatives are independent and answerable to the shareholders. The two Directors who are members of the Committee are independent of the management of the Bank. The duties of the Committee are as enshrined in Section 359(3) and (4) of CAMA. The Committee is responsible for ensuring that the company's financials comply with applicable financial reporting standards.

The profiles of the shareholders' representatives in the Committee are presented below.

1. Mr Henry Omatsola Aragho received his Higher National Diploma (Accounting) from Federal Polytechnic Auchi in 1981. He also has a Master's Degree in Business Administration (MBA) from Ogun State University (1999) and qualified as a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN) in 1985. He was admitted as an Associate Member of the Institute of Chartered Accountants of Nigeria in March 1986 and subsequently qualified as a Fellow of the Institute.

He joined the Nigerian Ports Authority in 1982 and retired as General Manager Audit in 2005. He is presently the Managing Consultant of Henrose Consulting Limited and Managing Director Henrose Global Resources Limited.

2. Mr Emmanuel O. Eleoramo holds a First Class Degree in Insurance and a Master's Degree in Business Administration (MBA), both from the University of Lagos. He is also an Associate of the Chartered Insurance Institute of London and a Fellow of the Chartered Insurance Institute of Nigeria. He has had over 36 years of varied experience in General Insurance Marketing, Underwriting and Employee Benefits Consultancy.

He is a key player in the Nigerian Insurance industry and a past President of the Chartered Insurance Institute of Nigeria. He was the Managing Director/Chief Executive Officer of Nigerian French Insurance Company Ltd and later Whispering Hope Insurance Company Ltd (now Sterling Assurance Nigeria Ltd) before his appointment as the Managing Director/Chief Executive Officer of Nigerian Life and Pensions Consultants Limited (now Nigerian Life and Provident Company Limited).

3. Mr Idaere Gogo Ogan is a 1987 graduate of Economics from the University of Port Harcourt and holds a Master's Degree in International Finance from Middlesex University, London. He joined the Corporate Bank Department of Guaranty Trust Bank in 1996. He left Guaranty Trust Bank to found D'Group, incorporating Becca Petroleum Limited and Valuestream and Cordero Engineering Ltd. He sits on the Audit Committee of Standard Insurance Company Plc.

### Record of Attendance at Statutory Audit Committee Meetings

NAMES	January 27, 2016	July 27, 2016
Emmanuel O. Eleoramo	✓	✓
Idaere Gogo Ogan	✓	✓
Henry Omatsola Aragho	✓	✓
*Oritsedere Otubu	✓	✓
Ajoritsedere Awosika	✓	✓
Ernest Ndukwe	✓	✓

\* Retired from the Committee with effect from September 1, 2016 following his retirement from the Board and was succeeded by Mr. Abba M.T Habib

### Going Concern

The Directors confirm that after making appropriate enquiries, they have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt going concern basis in preparing the financial statements.

### Succession planning

The Board has a robust policy which is aligned to the Bank's performance management process. The policy identifies key positions, including Country Managing Director positions for all the Group's operating entities in respect of which there will be formal succession planning. The policy provides that potential candidates for positions shall be identified at the beginning of each financial year.

### Code of Ethics

The Bank's Code of Conduct specifies expected behaviour for its employees and Directors. The code is designed to empower employees and Directors and enable effective decision making at all levels of the business according to defined ethical principles. New employees are required to read and sign an attestation that they understood the content. In addition, there is an annual re-affirmation exercise for all employees. There is a Compliance Manual that provides guidelines for addressing violations/breaches and ensuring enforcement of discipline amongst staff. The Bank also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head Group Human Resources is responsible for the design and implementation of the "Code of Conduct", while the Chief Conduct and Compliance Officer is responsible for monitoring compliance.

The Chief Conduct and Compliance Officer issues at the beginning of the year an Ethics and Compliance message to all employees. The message reiterates the Bank's policy of total compliance with all applicable laws, regulations, corporate ethical standards and policies in the conduct of the Bank's business. It enjoins staff to promote the franchise and advance its growth in a sustainable manner while ensuring compliance with relevant policies, laws and regulations.

### Dealing in Company Securities

The Bank implements a Securities Trading Policy that prohibits directors, members of the Audit Committee, employees and all other insiders from abusing, or placing themselves under the suspicion of abusing, price sensitive information in relation to the Bank's securities. In line with the policy, affected persons are prohibited from trading on the company's security during a closed period which is usually announced by the Company Secretary. The Bank

has put in place a mechanism for monitoring compliance with the policy.

### Remuneration Policy

The Group has established a remuneration policy that seeks to attract and retain the best talent in countries that it operates. To achieve this, the Group seeks to position itself among the best performing and best employee rewarding companies in its industry in every market that it operates in. This principle will act as a general guide for the determination of compensation in each country. The objective of the policy is to ensure that salary structures, including short and long term incentives, motivate sustained high performance and are linked to corporate performance. It is also designed to ensure that stakeholders are able to make reasonable assessment of the Bank's reward practices. The Group complies with all local tax policies in the countries of operation.

Operating within the guidelines set by the principles above, compensation for country staff is based on the conditions in the local economic environment as well as the requirements of local labour laws. The Group Office usually commissions independent annual compensation surveys in the subsidiaries to obtain independent statistics on the local pay markets to arrive at specific compensation structures for each country. Compensation will be determined annually at the end of the financial year. All structural changes to compensation must be approved by the Group Office.

Total compensation provided to employees will typically include guaranteed and variable portions. The specific proportion of each will be defined at the country level. Guaranteed pay will include base pay and other guaranteed portions while variable pay may be both performance-based and discretionary.

The Bank has put in place a performance bonus scheme which seeks to attract and retain high-performing employees. Awards to individuals are based on the job level, business unit performance and individual performance. Other determinants of the size of individual award amounts include pay levels for each skill set which may be influenced by the relative dearth of skills in a particular area.

The Bank complies with the Pension Reform Act on the provision of retirement benefit to employees at all levels. The Bank also operates an Employee Performance Share Plan for the award of units of the Bank's shares to its employees, subject to terms and conditions determined by the Board of Directors.

The Bank's long term incentive programme rewards Executive Officers for loyal service to the Bank for a period up to 10 years. This is to ensure that they share in the Bank's success and focus on its long term sustainability. The justification for a long term incentive plan for senior and executive management is very compelling given recent industry developments. The stability, loyalty and commitment of senior and executive management need to be strengthened by a long term retirement benefit.



### Whistle-Blowing Procedure

The Bank expects all its employees and Directors to observe the highest level of probity in their dealings with the Bank and its stakeholders. Our Whistle-Blowing Policy covers internal and external whistle-blowers and extends to the conduct of the stakeholders including employees, vendors, and customers. It provides the framework for reporting suspected breaches of the Bank's internal policies and laws and regulations. The Bank has retained KPMG Professional Services to provide consulting assistance in the implementation of the policy. The policy provides that suspected wrongdoing by an employee, vendor, supplier or consultant may be reported through the Bank's or KPMG's Ethics lines or emails, details of which are provided below.

### Telephone

Internal: +234-1-2712065  
External: KPMG Toll free lines: 0703-000-0026; 0703-000-0027; 0808-822-8888;

### E-Mail

Internal: [whistleblower@accessbankplc.com](mailto:whistleblower@accessbankplc.com)  
External: [kpmgethicsline@ng.kpmg.com](mailto:kpmgethicsline@ng.kpmg.com)

The Bank's website also provides an avenue for lodging whistle-blowers' reports. Individuals interested in whistle-blowing may click on the Customer Service link on the Bank's website, scroll down to the whistle-blower column, and then register, anonymously or otherwise, any allegations they want the Bank to investigate.

The Bank's Chief Audit Executive is responsible for monitoring and reporting on whistle-blowing. Quarterly reports are rendered to the Board Audit Committee.

In addition to the foregoing, stakeholders may also report unethical practices to the Central Bank of Nigeria by emailing [anticorruptionunit@cbn.gov.ng](mailto:anticorruptionunit@cbn.gov.ng)

### The Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's Memorandum and Articles of Association, plus relevant rules and regulations are complied with. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman in ensuring good information flow within the Board and its committees and between management and Non-Executive Directors. The Company Secretary also facilitates the orientation of new Directors and coordinates their professional development.

As primary compliance officer for Group's compliance with the listing rules of the Nigerian Stock Exchange, the Company Secretary is responsible for designing and implementing a framework for the Bank's compliance with the listing rules, including advising management on prompt

disclosure of material information.

The Company Secretary attends and prepares the minutes for all Board meetings. As secretary for all Board Committees, he assists in ensuring coordination and liaison between the Board, the Board Committees and management. The Company Secretary also assists in the development of the agenda for the various Board and Board Committee meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

### Customer Complaints and Resolution

The Bank complied with the provision of CBN Circular FPR/ DIR/C IR/GEN/01/020 dated 16 August 2011 on handling consumer complaints. In line with the rules of the Securities and Exchange Commissions, the Bank has also implemented an Investors Enquiries and Complaints Management Policy. The Policy is available in the Investor portal on the Bank's website and is also contained in page 120 in this Annual Report.

### Statement of Compliance

The Bank complies with the relevant provisions of the SEC and the CBN Codes of Corporate Governance. In the event of any conflict between the provisions of the two codes regarding any matter, the Bank will defer to the provisions of the CBN Code as its primary regulator.

# SECURITIES DEALING POLICY

## 1.0 INTRODUCTION

This Policy shall be read in conjunction with the Central Bank of Nigeria's Code of Corporate Governance for Banks and Discount Houses in Nigeria ('CBN Code'); the Securities and Exchange Commission's Rules (SEC Rules) and the Investments and Securities Act 2007 (ISA).

## 2.0 PURPOSE

This Policy aims to provide a framework for compliance with the CBN Code, the SEC Rule and the ISA provisions on dealing with the Bank's Securities by Directors, Senior Management and Employees of the Bank and its subsidiaries or a related company and all insiders (hereafter called "Affected Persons"). It is intended to ensure that the Affected Persons do not abuse, or place themselves under the suspicion of abusing privileged information or taking or benefiting from material non-public information at their disposal or which come to their possession during the course of their duties, especially at periods leading up to the announcement of the Bank's financial results.

The Policy contains appropriate compliance standards and procedures that guarantee seamless implementation. It provides for internal review mechanism with a view to measuring compliance and effectiveness. Ultimately, it is the responsibility of Affected Persons to ensure that none of their dealings constitute insider trading. If an Affected Person is in doubt about any provision of this Policy, the person should consult the Company Secretary prior to undertaking any transaction on the Bank's securities or encouraging or procuring someone else to so deal.

## 3.0 DEFINITIONS

3.1 The following terms have the following meanings unless the context otherwise requires:

**"Affected Persons"** mean employees, senior management, members of Shareholders Audit Committee and Directors of the Bank and its subsidiaries or a Related Party;

**"Audit Committee"** means both the Shareholders' Audit Committee and the Board Audit Committee of the Bank;

**"Bank"** means Access Bank Plc

**"Company Secretary"** means the Company Secretary of Access Bank Plc or any person duly authorised to discharge the functions of the Company Secretary for the time being in force;

**"Dealing" means:**

- (a) any sale or purchase of, or agreement to sell or purchase any securities of the Bank;
- (b) the grant to, or acceptance by such a person, of any option relating to such securities or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such securities;
- (c) the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such securities;
- (d) dealings between directors and/or employees of the Bank;
- (f) Over the Counter dealings;
- (g) Off-Market Dealings; and,
- (g) transfers for no consideration.

**"Director"** means any person who occupies the position of a Director in Access Bank Plc, or in any of its subsidiaries;

**"Employee"** means any person engaged under a contract of employment with the Bank or any of its subsidiaries, and any other persons engaged by a third party service provider or outsourcing agency to provide support services to Access Bank Plc or any of its subsidiaries;

**"Holding"** means any legal or beneficial interest, direct or indirect in the Bank's securities;

**"Insider"** shall include members of Audit Committee, Directors or employees of Access Bank and any of its subsidiaries, a related company and its employees, a company or firm engaged in a professional or business capacity with the Bank or any of its subsidiaries and their employees, including any shareholder who holds 5% or more of any class of the Bank's securities or a similar holding in any of its subsidiaries;

**"Related Party"** shall mean a spouse or partner or any other dependents relative who lives with the Affected Persons or for whom the Affected Person provides material financial support. This also includes those parties over whose trading activity the Affected Persons has a direct or indirect beneficial interest, control or investment influence.

**"Securities"** means any securities of Access Bank Plc admitted to trading on a Stock Exchange;

**"Securities Dealing"** means trading in the Bank's shares



or any change whatsoever to the holding of securities of which the holder is an Affected Person at a period when an Affected Person is in possession or deemed to be in possession (actual or constructive) of material non-public information;

**“Unpublished price-sensitive information”** means information which:

- (a) relates to particular securities of the Bank;
- (b) is specific or precise;
- (c) has not been made public; and
- (d) if it were made public would likely have a significant effect on the price or value of any security.

#### 4.0 PROHIBITION OF SECURITIES DEALINGS

4.1 Affected Person, Insiders and Related Parties shall not deal in any securities of the Bank in a manner and at the period that suggests he is in possession of privileged information whether actual or constructive. For clarity of purpose, any such persons shall be deemed to be in constructive possession of material non-public information where:

(a) Such information is in the possession of a class or a group of persons to which such person belongs; or

(b) by virtue of such person's duties, job description, sphere of service or business relationship with the Bank or any of its subsidiaries, he would reasonably be expected to possess such unpublished price-sensitive information.

4.2 The Policy is designed to comply with applicable statutory and regulatory obligations, ensuring that businesses are conducted in line with industry standards and relevant regulatory requirements as well as protect proprietary or confidential information that may be in possession of such persons from being abused or misused.

4.3 In order to avoid a potential risk of speculative trading as well as to encourage Affected Persons to trade for investment purposes, persons who are presumed to possess some privileged information must hold their personal and privies' account positions for a minimum of 15 (fifteen) calendar days from the date of such presumption before any trade instructions can be executed.

4.4 Any person who is precluded by this policy from dealing in the Bank's securities must not encourage any other person or Related Party to do so and must refrain from disclosing such material non-public information or opinions which might likely lead to another person trading on that information.

4.5 It is recognised that Affected Persons perform different roles and functions within Access Bank Group with attendant different exposures to material non-public information, it is an obligation therefore for all Affected Persons to discharge their duty of care and contractual responsibility by ensuring that the information obtained by

virtue of their respective positions is not communicated to Related Party which may induce such party to trade on the Bank's securities.

#### 5.0 NON-DEALING PERIODS

Save as otherwise communicated in writing by the Company Secretary, the following periods shall be deemed to be non-dealing periods:

5.1 A period of 30 days prior to the publication of the Bank's Quarterly Profit Forecast or its submission to regulatory authorities whichever occurs first;

5.2 A period of 30 days prior to the publication of the Bank's Quarterly Unaudited Accounts or its submission to regulatory authorities whichever occurs first;

5.3 A period of not less than 30 days prior to the Audit Committee's consideration of the Bank's Audited Accounts;

5.4 Any period after Board approval of the Bank's Audited Accounts but prior to the publication of the Accounts or its submission to regulatory authorities, whichever occurs first; and

5.5 Any other period as may be designated by the Group Managing Director as a Non-Dealing Period.

#### 6.0 ROLES AND RESPONSIBILITIES

6.1 Board of Directors: The Board of Directors of Access Bank Plc shall have ultimate responsibility for this Policy. The Board shall initiate and maintain measures and controls to ensure adherence to this Policy.

6.2 Chief Conduct and Compliance Officer: The Chief Conduct and Compliance Officer shall monitor adherence and observance of this policy. He shall create sufficient awareness about the existence and terms of this policy. He shall investigate issues of non-compliance and suspicious trading and report same to the Board Audit Committee.

6.3 Human Resources Group: The Human Resource Group shall deal with breaches of this policy by facilitating disciplinary action and applying sanctions appropriately to defaulting persons. The Human Resources Group shall keep records of breaches of this policy as part of each employee's record. Such disciplinary actions shall be without prejudice to the applicable statutory sanction for breach of the provisions of the ISA on the issue.

6.4 Company Secretary: The Company Secretary will render advice on this Policy, its applicability and consequence of breach.

## **7.0 EXCLUSION**

Investment in Unit Trusts and Collective Investment Schemes are excluded from the ambit of this Policy.

## **8.0 REPEAL**

This Policy repeals and supersedes the existing Non-Dealing Periods Policy of the Bank.

# THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT

Making tomorrow happen is in our DNA. That's why we are re-engineering the face of Africa by supporting the transformation of Lagos with Eko Atlantic City - a masterpiece that redefines the world map.

Join us as we create a new Africa because ...

TOMORROW  
CAN'T  
WAIT



# DIRECTORS' RESPONSIBILITIES

## Statement of Directors' Responsibilities in relation to the consolidated Financial Statements for the year ended 31 December 2016

The Companies and Allied Matter Act and the Bank and Other Financial Institutions Act require the directors to prepare financial statements for each financial year that gives true and fair view of the state of financial affairs of the company and group at the end of the year and its profit or loss. The responsibilities include ensuring that the company and Group;

- i. keep proper accounting records that disclose with reasonable accuracy the financial position of the company and the Group and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act
- ii. Establish adequate internal control to safeguard its assets and to prevent and detect fraud and other irregularities and
- iii. Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied

The directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with

- International Financial Reporting Standards
- Prudential Guidelines for Licensed Banks in Nigeria
- Relevant circulars issued by the Central Bank of Nigeria
- The requirements of the Banks and Other Financial Institutions Act and



- The requirement of the Companies and Allied Matters Act;
- The Revised Guidelines for Discount Houses
- The Financial Reporting Council of Nigeria Act

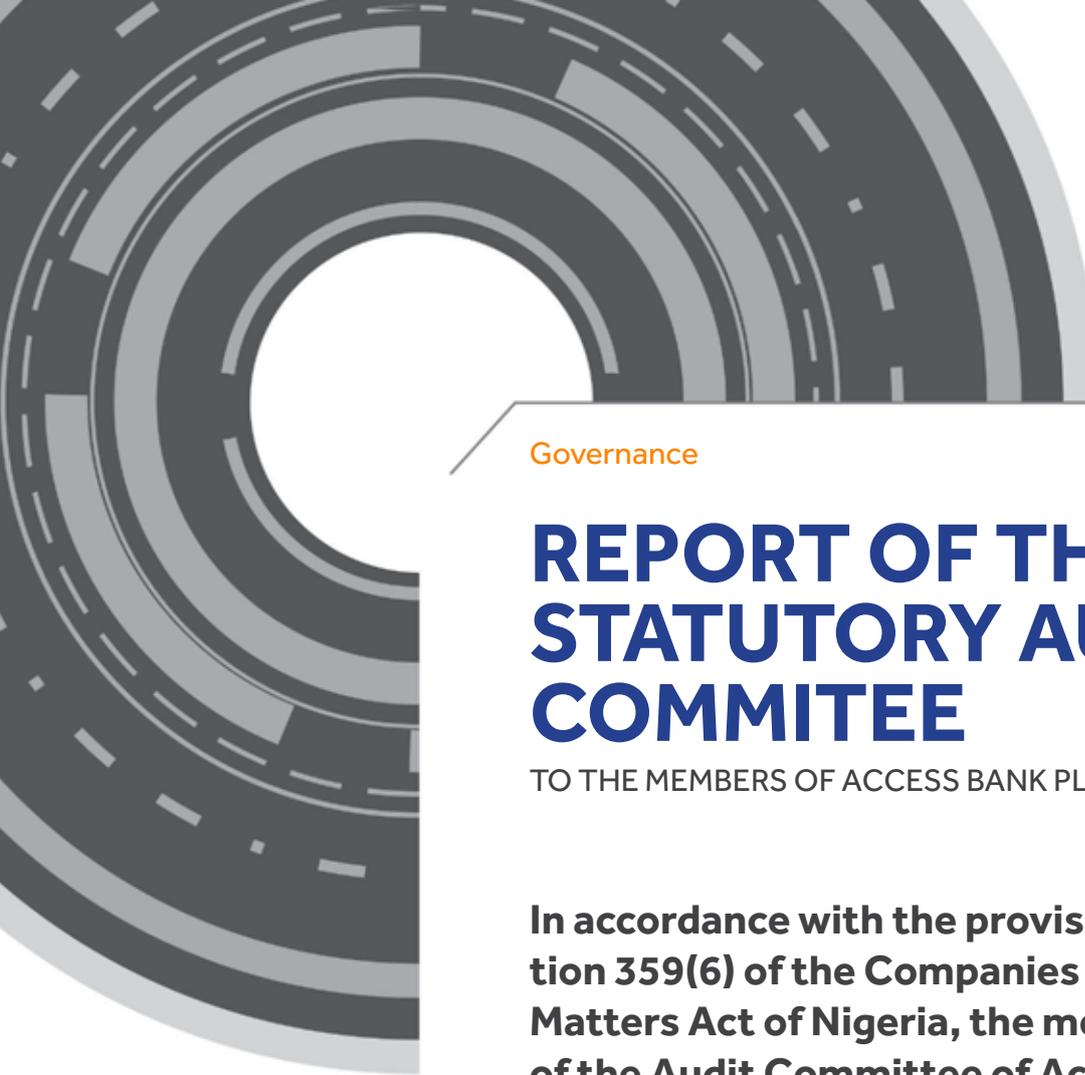
The directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Company and Group and of the financial performance and cash-flows for the period. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the directors to indicate that the Company and Group will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Group Managing Director  
**Herbert Wigwe**  
FRC/2013/ICAN/00000001998  
January 26, 2017

Group Deputy Managing Director  
**Obinna Nwosu**  
FRC/2016/IODN/00000014028  
January 26, 2017



Governance

# REPORT OF THE STATUTORY AUDIT COMMITTEE

TO THE MEMBERS OF ACCESS BANK PLC

**In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the annual financial statements for the year ended 31 December 2016 as follows:**

We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the period ended 31 December 2016 were satisfactory and reinforce the Group's internal control systems.

We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of N2,693,131,022 (December 2015: N2,319,798,428) was outstanding as at 31 December 2016 which was performing as at 31 December 2016 (see note 44)



We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in course of their audit and we are satisfied with management's responses thereon and with the effectiveness of the Bank's system of accounting and internal control.

**Mr Henry Omatsola Aragho**  
**Chairman, Audit Committee**  
January 2017

Members of the Audit Committee are:		
Mr. Henry Omatsola Aragho	Shareholder	Chairman
Mr. Emmanuel Olutoyin Eleoramo	Shareholder	Member
Mr. Idaere Gogo Ogan	Shareholder	Member
Mr. Oritsedere Otubu **	Non-Executive Director	Member
Dr. (Mrs.) Ajoritsedere Awosika	Independent Director	Member
Dr. Ernest Ndukwe	Independent Director	Member

\*Appointed Chairman of the Committee effective July 27, 2016

\*\*Retired from the committee with effect from September 1, 2016 following his retirement from the Board. He was replaced by Mr. Abba M. T. Habib, a Non-Executive Director.

In attendance:

**Sunday Ekwochi – Secretary**

## Governance

# CUSTOMERS' COMPLAINTS FEEDBACK

**Access Bank is fully committed to its core value of passion for customers. The Bank prides itself on providing exceptional services to customers at all times.**

**In addition, the management of the bank makes deliberate efforts to solicit and accommodate customers' feedback on its products and services**

At the same time, given the number and complexity of financial transactions that take place every day, the Bank recognizes that there will inevitably be occasions when mistakes and misunderstandings occur. In these situations, Access Bank encourages customers to bring their concerns to the attention of the bank for prompt resolution.

### Complaints Channels

To facilitate seamless complaint and feedback process, the bank has provided various channels for customers. The channels include:

- 24 hour Contact Centre with feedback through emails, Telephone Services, SMS, Livechat, Social Media etc.
- Feedback portal on the Bank's website
- Customer service desks in over 300 branches

and toll-free telephone lines to the office of the Group Managing Director in the banking halls of key branches.

- Correspondence from customers
- The Voice of Customer Solution
- The Ombudsman desk
- Suggestion boxes in branches and surveys

### Customers' Complaints

We handle customers' complaints with sensitivity and due regard for the needs and understanding of each customer. Efforts are made to resolve customers' complaints at first contact. Where this cannot be done, they are immediately referred to the appropriate persons for resolution. All complaints are logged and tracked for resolution and feedback is provided to the customer.



### Resolve or Refer Command Centre

The 'Resolve or Refer' Command Centre is mandated to ensure timely service delivery and First Time Resolution (FTR) of customers' issues. The Command Centre, which is managed by a dedicated team, provides support to all departments and branches on issue resolution.

uous improvement of our processes and services. An independent review of the root cause of complaints made is carried out and lessons learnt are fed back to the relevant business units to avoid future repetition. Customer complaint metrics are analysed and reports presented to Executive Management and the Enterprise Risk Management Committee. Reports on customer complaints are also sent to the Central Bank as required."

### Complaints Tracking and Reporting

We diligently track complaint information for contin-

## ACCESS BANK PLC CUSTOMERS' COMPLAINTS FOR THE YEAR ENDED DECEMBER 31, 2016

NAIRA							
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (NAIRA)		AMOUNT REFUNDED (NAIRA)	
		2016	2015	2016	2015	2016	2015
1	Pending complaints B/F	132,396	1,152	623,867,921	161,954,423,532	-	-
2	Received Complaints	204,773	234,188	31,382,190,881	3,363,924,012	-	-
3	Resolved complaints	328,511	102,944	30,772,621,392	2,740,056,091	3,058,341,677	534,897,186
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	8,658	132,396	1,233,437,410	623,867,921	-	-

USD							
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (USD)		AMOUNT REFUNDED (USD)	
		2016	2015	2016	2015	2016	2015
1	Pending complaints B/F	116	14	-	-	-	-
2	Received Complaints	1618	959	69,878,941	1,594,251	-	-
3	Resolved complaints	1656	867	68,184,828	873,196	118,688	155,747
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	78	116	1,694,114	721,055	-	-

GBP							
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (GBP)		AMOUNT REFUNDED (GBP)	
		2016	2015	2016	2015	2016	2015
1	Pending complaints B/F	6	2	7,000	-	-	-
2	Received Complaints	93	28	786,508	7,000	-	-
3	Resolved complaints	96	24	793,508	-	5,024	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	3	6	-	7,000	-	-

EUR							
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (EUR)		AMOUNT REFUNDED (EUR)	
		2016	2015	2016	2015	2016	2015
1	Pending complaints B/F	2	-	-	-	N/A	-
2	Received Complaints	61	32	1,528,345	-	N/A	-
3	Resolved complaints	60	30	1,528,345	-	1,720	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	0.00	N/A	-
5	Unresolved complaints pending with the bank C/F	3	2	-	-	N/A	-

### **Solicited Customer Feedback**

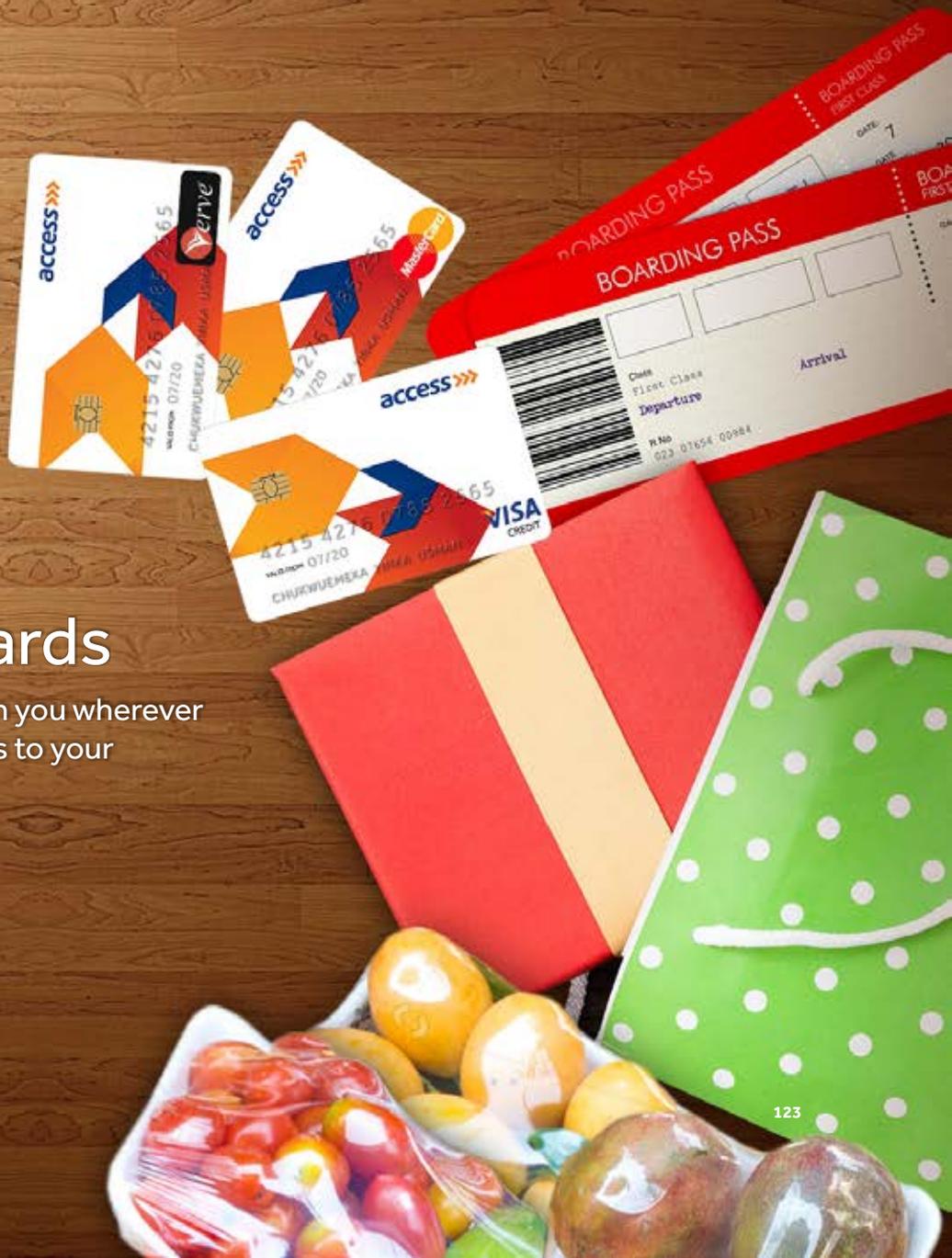
The Management of the bank makes deliberate efforts to solicit feedback from customers and staff on services and products through the following:

- Administering Questionnaires
- Conducting Customer interviews
- Customers forum
- Quest for Excellence Sessions (for staff)
- Voice of Customer Surveys

The various feedback efforts are coordinated by our Service and Innovation Group. The feedback obtained from customers are reviewed and lessons learnt are used for staff training and service improvement across the bank.

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SPEED SERVICE SECURITY

# 4

## FINANCIAL STATEMENTS





## Consolidated and separate financial statements for the year ended 31 December, 2016.



Independent Auditor's Report	126
Consolidated Statement of Comprehensive Income	132
Consolidated Statement of Financial Position	133
Consolidated Statement of Changes in Equity	134
Consolidated Statement of Cash Flows	137
Notes to the Financial Statements	168

# REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF ACCESS BANK PLC



## Report on the audit of the consolidated and separate financial statements.

### Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Access Bank Plc ("the bank") and its subsidiaries (together "the group") as at 31 December 2016, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

### What we have audited

Access Bank Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2016;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

#### How our audit addressed the key audit matter

### Impairment assessment of loans and advances to customers

Management exercises significant judgment when determining both when and how much to record as impairment on loans and advances to customers.

We focused on this area because of the significance of the judgements involved and the size of the loans and advances portfolio. At 31 December 2016, the total gross loans and advances was N 1.8 trillion against which allowance for impairment provisions of N 35.7 billion were recorded. Judgement is applied to determine appropriate parameters and assumptions used to calculate impairment.

The accounting policies and critical judgements relating to the calculation of the impairment on loans and advances to customers are summarised in Note 3.9g and Note 4.0 to the consolidated financial statements respectively.

We comment on the most judgemental aspects, which we consider to be key audit matters below.



## Impairment on individually and collectively assessed facilities – N 35.7 billion (refer to note 23)

The Group uses two categories in its calculations of impairment provisions on loans and advances:

- Individual impairment assessment
- Collective impairment assessment

The individual impairment assessment is performed by the Group's Credit Risk Unit in order to determine whether there exists any objective evidence that a loan is impaired.

Where an objective evidence of impairment is identified, these facilities are assessed based on their recoverable amounts i.e. present value of expected future cash flows discounted at the original effective interest rate, or the fair value of the collateral.

Management uses external valuers to determine the fair value of collaterals.

Where the recoverable amount is less than the carrying value of the facilities, management determines impairment loss as the difference between the carrying value and the recoverable amount.

Allowances against all loans and advances not assessed individually and those assessed individually for which recoverable amount was higher than the carrying value are done on a collective basis.

Impairment allowances on the loans to be assessed collectively is done using a modelled basis for different portfolios with common features and allowances are adjusted accordingly based on the judgement of management.

Primary data fundamental to the assessment of collective impairment is the Probability of Default (PD), the Loss Given Default (LGD) and the exposure at default (EAD); which are all obtained using the bank's historical data, prevailing economic and credit conditions and loss experiences on how:

- Facilities have migrated between risk ratings over the periods (PD);
- Portion of the loan facilities determined to be irrecoverable at the time of default (LGD); and
- Loan amount at the time of default (EAD).

This matter is considered a key audit matter in both the consolidated and separate financial statements.

We understood and evaluated the design and operating effectiveness of the controls over loan loss impairment assessment across the Group to determine the extent of substantive testing required.

We evaluated management's assessment of impairment triggers and reviewed their determination of impairment on individually significant facilities.

We applied a risk based target testing approach in selecting a sample of customer facilities for detailed reviews of customer files and account statements to determine whether or not the customers met with their contractual obligations as well as identify other indicators of impairment.

In particular we focused on the identification of loss events in line with IAS 39 paragraph 59.

We further reviewed management's assessment of the individually significant facilities where the fair value of the collateral sufficiently covered the total exposure. We reviewed to determine that these category of facilities were assessed for collective impairment.

For a sample of collateral valuation reports supporting significant facilities, we evaluated the competence, independence and objectivity of management valuation experts used for the valuation of collaterals and the methodology used.

We applied a risk based targeted testing approach in performing a review of the collateral valuation reports. The details of the reports were agreed to the contract agreement between the bank and the customer to assess the bank's legal rights over the collateral.

For the collective impairment assessment, we evaluated the reasonableness of management's assumptions with respect to the inputs into the collective impairment model.

We assessed the reasonableness of the probability of default (PD) by estimating how loan customers have migrated from the performing grade to the impaired assets grade in prior periods and determined an average risk rating per grade. This was compared to the PD determined by management and we challenged management where our assessment differed from theirs.

We evaluated the reasonableness of the Loss Given Default (LGD) by comparing it with the bank's historical data and supporting documents.

### Valuation of available for sale investment securities

We focused on this area because of the nature of the transactions and the level of judgment, estimates and assumptions used in determining the valuation.

Notes 25 to the financial statements describes the elements that make up the available for sale investment securities balance. The most judgemental aspect of available for sale investment securities relate to the valuation of level 3 financial instruments (N 50.1 billion - refer to note 4.1.1), which we consider to be a key audit matter below.

We identified and assessed the following risks that could lead to inaccurate fair values:

- The equity securities are not quoted on a recognised stock exchange and their fair values are not readily determined by reference to an active market.
- Whilst some of the model inputs used for determining fair values are observable, there are unobservable inputs (such as illiquidity discount rate and hair cut) which could lead to valuation variances.
- The Group uses a number of model types to value its level 3 financial instruments. Model deficiencies or inaccurate model parameters could lead to material misstatements of the financial statements.

Inputs into the fair value approach could include the ratio of Enterprise Value (EV) to Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA), Price Earnings (P/E) ratios and Price to Book (P/B) ratios.

This matter is considered a key audit matter in both the consolidated and separate financial statements.

We performed detailed evaluation of the validity and reasonableness of the techniques, inputs and the assumptions used by management.

We confirmed the valuation technique used to determine the fair values of unquoted equity instruments to be "the market approach" which is in line with the techniques prescribed by the applicable standard "IFRS 13, Fair value measurement".

We verified the inputs i.e. EV/EBITDA, PE ratios and P/B ratios by comparing them to independent sources.

We evaluated the principal assumptions against independent sources for reasonableness.

We assessed the valuation methodology and models for consistency by comparing to prior periods.

We also reviewed the disclosure and applied the IFRS checklist for compliance with the relevant standards.

### Valuation of derivative financial instruments (refer to note 21)

N 156 billion (Derivative financial assets)

N 30 billion (Derivative financial liabilities)

We focused on this area because of the nature of the transactions and the level of judgment, estimates and assumptions used in determining the valuation.

Due to the significance of derivative financial instruments and the related estimation uncertainty, this is considered a key audit matter.

The fair value of derivative financial instruments is determined through the application of valuation techniques which often involve the exercise of judgement by management and the use of assumptions and estimates.

The Bank's derivative financial instruments are broadly categorized into the following:

- Forward contracts
- Swap contracts
- Non deliverable forward contracts

For forward and swap contracts which have terms to maturity of less than one year from the statement of financial position date, management obtains the input for the valuation i.e. market rate from a quoted market.

We obtained an understanding of the valuation techniques and inputs used by management.

We tested the validity of the underlying data used in management's valuation report. Furthermore, we employed the services of our valuation specialists in assessing the reasonableness of assumptions and models used.

For the short tenured forwards and swap contracts, we have assessed the reasonableness of management's fair value estimation by:

- discounting the payoff in each currency to the valuation date using that currency's swap curve;
- converting the foreign currency payoffs to local currency using spot exchange rates as at valuation date between local and foreign currency; and
- determining the value to the bank as the difference



For long term swap contracts, the input for the valuation is not readily available from a quoted market. Management obtains a confirmation of the long tenured contracts from an independent source and performs a fair valuation similar to the procedure described above.

Non deliverable forward contracts are short tenured and are valued with respect to a reference market rate with no adjustment for discounting.

This matter is considered a key audit matter in the separate financial statements only.

between the value to be received and the value to be paid (both in local currency).

For the long term swap contracts, we have assessed the reasonableness of management's fair value estimation using the methodology similar to above. However, we have independently obtained the market rates for contracts with maturities greater than one year and challenged management's estimation where necessary.

With respect to non-deliverable forward contracts, we have determined the fair values by reference to a market rate differential between the contracted exchange rate and the spot exchange rates at the date of the valuations.

We have also assessed the adequacy of the Group's disclosures including the accuracy of the categorisation into the fair value measurement hierarchy and adequacy of the disclosure of the valuation techniques.

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### Other information

The directors are responsible for the other information. The other information comprises: Directors' report, Corporate governance report, Statement of director's responsibilities, Report of the statutory audit committee, Statement of value added and Five year financial summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and: Business and financial highlights, Locations and offices, Reports of the external consultants, Business Review (Business banking, Commercial banking, Personal banking and Corporate and Investment banking, Digital banking and Operations & IT), Sustainability Report, Risk Management and associated reports, Chairman's statement and Chief Executive's Review which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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### Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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### Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the bank's statements of financial position and statements of comprehensive income are in agreement with the books of account;
- iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in note 44 to the financial statements;
- v) except for the contraventions disclosed in Note 41 to the financial statements, the bank has complied with the requirements of the relevant circulars issued by the Central Bank of Nigeria.

*Anthony Oputa*

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria.  
Engagement Partner: Anthony Oputa  
FRC/2013/ICAN/00000000980



4 March, 2017

# **CONSOLIDATED FINANCIAL STATEMENTS**

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

In thousands of Naira	Notes	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Interest income	8	247,286,635	207,802,768	210,794,456	184,047,834
Interest expense	8	(108,138,875)	(102,421,118)	(94,777,050)	(94,001,878)
Net interest income		139,147,760	105,381,650	116,017,406	90,045,956
Net impairment charge	9	(21,952,819)	(14,224,715)	(17,641,127)	(13,287,613)
Net interest income after impairment charges		117,194,941	91,156,935	98,376,279	76,758,343
Fee and commission income	10	55,440,500	33,463,887	45,992,484	25,892,284
Fee and commission expense		(576,697)	(151,118)	-	-
Net fee and commission income		54,863,803	33,312,769	45,992,484	25,892,284
Net gains on investment securities	11a,b	55,051,078	62,738,014	54,968,917	62,699,600
Net foreign exchange income/(loss)	12	3,597,591	26,501,682	(94,434)	23,205,265
Other operating income	13	19,944,978	6,897,879	19,339,549	6,216,992
Personnel expenses	14	(51,795,538)	(42,346,952)	(42,153,587)	(35,699,471)
Prepaid rent expenses		(2,810,090)	(1,739,857)	(1,632,377)	(1,405,715)
Depreciation	28	(9,106,886)	(8,615,137)	(7,774,591)	(7,762,291)
Amortization	29	(2,186,905)	(1,483,193)	(1,854,437)	(1,324,075)
Other operating expenses	15	(94,413,516)	(91,384,023)	(84,588,227)	(83,403,018)
<b>Profit before tax</b>		<b>90,339,456</b>	<b>75,038,117</b>	<b>80,579,576</b>	<b>65,177,914</b>
Income tax	16	(18,900,109)	(9,169,344)	(16,553,441)	(6,253,169)
<b>Profit for the year</b>		<b>71,439,347</b>	<b>65,868,773</b>	<b>64,026,135</b>	<b>58,924,745</b>
Other comprehensive income (OCI) net of income tax : items that will not be subsequently reclassified to income statement:					
Remeasurements of post-employment benefit obligations		2,590,139	(1,061,292)	2,590,139	(1,061,292)
Items that may be subsequently reclassified to the income statement:					
Foreign currency translation differences for foreign subsidiaries					
- Realised gains during the year		-	-	-	-
- Unrealised gains /(losses) during the year		19,458,036	(1,987,684)	-	-
Net changes in fair value of AFS financial instruments					
-Fair value changes during the year		10,012,499	3,387,680	10,063,039	3,457,636
Other comprehensive gain, net of related tax effects:		32,060,674	338,704	12,653,178	2,396,344
<b>Total comprehensive income for the year</b>		<b>103,500,021</b>	<b>66,207,477</b>	<b>76,679,313</b>	<b>61,321,089</b>
Profit attributable to:					
Owners of the bank		71,117,025	65,332,540	64,026,135	58,924,745
Non-controlling interest		322,322	536,233	-	-
<b>Profit for the year</b>		<b>71,439,347</b>	<b>65,868,773</b>	<b>64,026,135</b>	<b>58,924,745</b>
Total comprehensive income attributable to:					
Owners of the bank		101,241,269	65,798,664	76,679,313	61,321,089
Non-controlling interest		2,258,752	408,813	-	-
<b>Total comprehensive income for the year</b>		<b>103,500,021</b>	<b>66,207,477</b>	<b>76,679,313</b>	<b>61,321,089</b>
<b>Earnings per share attributable to ordinary shareholders</b>					
Basic (kobo)	17	250	265	221	237
Diluted (kobo)	17	246	262	221	237

The notes are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

In thousands of Naira	Notes	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Assets</b>					
Cash and balances with banks	18	713,889,105	478,409,336	517,997,249	405,998,636
Investment under management	19	14,871,247	10,403,608	14,871,247	10,403,608
Non pledged trading assets	20	44,629,579	52,298,422	44,629,579	52,298,422
Derivative financial assets	21	156,042,984	77,905,020	155,772,662	77,852,349
Loans and advances to banks	22	45,203,002	42,733,910	104,006,574	60,414,721
Loans and advances to customers	23	1,809,459,172	1,365,830,831	1,594,562,345	1,243,215,309
Pledged assets	24	314,947,502	203,715,397	314,947,502	200,464,624
Investment securities	25	229,113,772	186,223,126	161,200,642	155,994,798
Other assets	26	63,255,054	83,014,503	50,594,480	78,623,381
Investment in subsidiaries	27b	-	-	59,239,252	45,439,246
Property and equipment	28	84,109,052	73,329,927	71,824,472	65,900,384
Intangible assets	29	6,939,555	6,440,616	5,173,784	4,977,908
Deferred tax assets	30	1,264,813	10,845,612	-	10,180,832
		3,483,724,837	2,591,150,308	3,094,819,788	2,411,764,218
Asset classified as held for sale	31	140,727	179,843	140,727	179,843
<b>Total assets</b>		<b>3,483,865,564</b>	<b>2,591,330,151</b>	<b>3,094,960,515</b>	<b>2,411,944,061</b>
<b>Liabilities</b>					
Deposits from financial institutions	32	167,356,583	72,914,421	95,122,188	63,343,785
Deposits from customers	33	2,089,197,286	1,683,244,320	1,813,042,872	1,528,213,883
Derivative financial liabilities	21	30,444,501	3,077,927	30,275,181	2,416,378
Current tax liabilities	16	5,938,662	7,780,824	5,004,160	6,442,311
Other liabilities	34	113,571,240	69,355,947	107,538,941	64,094,358
Deferred tax liabilities	30	3,699,050	266,644	3,101,753	-
Debt securities issued	35	316,544,502	149,853,640	243,952,418	78,516,655
Interest-bearing borrowings	36	299,543,707	231,467,161	372,179,785	302,919,987
Retirement benefit Obligation	37	3,075,453	5,567,800	3,064,597	5,567,800
<b>Total liabilities</b>		<b>3,029,370,984</b>	<b>2,223,528,684</b>	<b>2,673,281,895</b>	<b>2,051,515,157</b>
<b>Equity</b>					
Share capital and share premium	38	212,438,802	212,438,802	212,438,802	212,438,802
Retained earnings		93,6140,030	51,730,369	93,329,188	49,459,102
Other components of equity	38	142,194,720	99,732,330	115,910,630	98,531,000
<b>Total equity attributable to owners of the Bank</b>		<b>448,247,552</b>	<b>363,901,501</b>	<b>421,678,620</b>	<b>360,428,904</b>
Non controlling interest	38	6,247,028	3,899,966	-	-
<b>Total equity</b>		<b>454,494,580</b>	<b>367,801,467</b>	<b>421,678,620</b>	<b>360,428,904</b>
<b>Total liabilities and equity</b>		<b>3,483,865,564</b>	<b>2,591,330,151</b>	<b>3,094,960,515</b>	<b>2,411,944,061</b>

Signed on behalf of the Board of Directors on 26 January, 2017 by:

**GROUP MANAGING DIRECTOR**  
Herbert Wigwe  
FRC/2013/ICAN/00000001998

**CHIEF FINANCIAL OFFICER**  
Oluseyi Kumapayi  
FRC/2013/ICAN/00000000911

**GROUP DEPUTY MANAGING DIRECTOR**  
Obinna Nwosu  
FRC/2016/IODN/00000014028

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

134

### Attributable to owners of the Bank

In thousands of Naira

Group	Share capital	Share premium	Share	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
<b>Balance at 1 January 2016</b>	14,463,986	197,974,816	39,625,042	50,097,911	554,898	(1,732,771)	3,489,080	13,268,889	(5,570,719)	51,730,369	363,901,501	3,899,966	367,801,467	
<b>Total comprehensive income for the year:</b>											71,117,025	71,117,025	322,322	71,439,347
Profit for the year														
<b>Other comprehensive income, net of tax</b>														
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	-	17,562,744	-	17,562,744	1,895,292	19,458,036
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	-	2,590,139	2,590,139	-	2,590,139
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	-	-	9,971,361	-	-	9,971,361	41,138	10,012,499
<b>Total other comprehensive gain</b>	-	-	-	-	-	-	-	-	9,971,361	17,562,744	2,590,139	30,124,244	1,936,430	32,060,674
<b>Total comprehensive (loss)/income</b>	-	-	-	-	-	-	-	-	9,971,361	17,562,744	73,707,164	101,241,269	2,258,752	103,500,021
<b>Transactions with equity holders, recorded directly in equity:</b>														
Transfers during the year	-	-	3,307,508	12,517,301	-	-	-	-	-	-	(15,824,809)	-	-	-
Deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(88,310)	(88,310)	88,310	-
Scheme shares	-	-	-	-	1,061,070	(1,553,604)	-	-	-	-	(492,534)	(492,534)	-	(492,534)
Vested shares	-	-	-	-	(403,990)	-	-	-	-	-	(403,990)	(403,990)	-	(403,990)
<b>Dividend paid to equity holders</b>	-	-	-	-	-	-	-	-	-	-	(15,910,384)	(15,910,384)	-	(15,910,384)
<b>Total contributions by and distributions to equity holders</b>	-	-	3,307,508	12,517,301	657,080	(1,553,604)	-	-	-	-	(31,823,503)	(16,895,218)	88,310	(16,806,908)
<b>Balance at 31 December 2016</b>	14,463,986	197,974,816	42,932,550	62,615,212	1,211,978	(3,286,375)	3,489,080	23,240,250	11,992,025	93,614,030	448,247,552	6,247,028	454,494,580	

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Bank

In thousands of Naira

Group	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January 2015	11,441,460	161,036,211	21,205,031	37,078,604	295,419	(976,127)	3,489,080	9,881,402	(5,710,648)	34,139,453	273,879,885	3,530,843	277,410,728
<b>Total comprehensive income for the year:</b>													
Profit for the year										65,332,540	65,332,540	536,233	65,868,773
<b>Other comprehensive income, net of tax</b>													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	(1,860,071)	-	(1,860,071)	(127,613)	(1,987,684)
Realised foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial loss on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	(1,061,292)	(1,061,292)	-	(1,061,292)
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on AFS financial instruments from associates	-	-	-	-	-	-	-	3,387,487	-	-	3,387,487	193	3,387,680
<b>Total other comprehensive gain/(loss)</b>	-	-	-	-	-	-	-	<b>3,387,487</b>	<b>(1,860,071)</b>	<b>(1,061,292)</b>	<b>466,124</b>	<b>(127,420)</b>	<b>338,704</b>
<b>Total comprehensive (loss)/income</b>								<b>3,387,487</b>	<b>(1,860,071)</b>	<b>64,271,248</b>	<b>65,798,664</b>	<b>408,813</b>	<b>66,207,477</b>
<b>Transactions with equity holders, recorded directly in equity:</b>													
<b>Transfers during the year</b>													
Additional shares	-	-	18,420,011	13,019,307	-	-	-	-	-	(31,439,318)	-	-	-
Scheme shares	-	-	-	-	-	(1,061,058)	-	-	-	(1,061,058)	-	-	(1,061,058)
Vested Shares	-	-	-	-	563,893	-	-	-	-	563,893	-	-	563,893
Proceed from right issue	3,022,526	36,938,605	-	-	(304,414)	304,414	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(15,241,014)	(15,241,014)	(39,690)	(15,280,704)
<b>Total contributions by and distributions to equity holders</b>	<b>3,022,526</b>	<b>36,938,605</b>	<b>18,420,011</b>	<b>13,019,307</b>	<b>259,479</b>	<b>(756,644)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,680,332)</b>	<b>24,222,952</b>	<b>(39,690)</b>	<b>24,183,262</b>
<b>Balance at 31 December 2015</b>	<b>14,463,986</b>	<b>197,974,816</b>	<b>39,625,042</b>	<b>50,097,911</b>	<b>554,898</b>	<b>(1,732,771)</b>	<b>3,489,080</b>	<b>13,268,889</b>	<b>(5,570,719)</b>	<b>51,730,369</b>	<b>363,901,501</b>	<b>3,899,966</b>	<b>367,801,467</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
<b>Balance at 1 January, 2016</b>	14,463,986	197,974,816	37,826,382	43,397,152	527,331	3,489,081	13,291,054	49,459,102	360,428,904
<b>Total comprehensive income for the year:</b>									
Profit for the year	-	-	-	-	-	-	-	64,026,135	64,026,135
<b>Other comprehensive income, net of tax</b>									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	2,590,139	2,590,139
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	10,063,039	-	10,063,039
<b>Total other comprehensive income</b>	-	-	-	-	-	-	10,063,039	2,590,139	12,653,178
<b>Total comprehensive (loss)/income</b>	-	-	-	-	-	-	10,063,039	66,616,274	76,679,313
Transactions with equity holders, recorded directly in equity:									
Transfers for the year	-	-	(2,768,116)	9,603,920	-	-	-	6,835,804	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(15,910,384)	(15,910,384)
Scheme shares	-	-	-	-	884,777	-	-	-	884,777
Vested shares	-	-	-	-	(403,990)	-	-	-	(403,990)
<b>Total contributions by and distributions to equity holders</b>	-	-	(2,768,116)	9,603,920	480,787	-	-	22,746,188	(15,429,597)
<b>Balance at 31 December 2016</b>	14,463,986	197,974,816	35,058,266	53,001,072	1,008,118	3,489,081	23,354,093	93,329,188	421,678,620

## Statement of changes in equity

In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
<b>Balance at 1 January, 2015</b>	11,441,460	161,036,211	17,001,981	34,558,437	295,419	3,489,081	9,833,418	36,499,779	274,155,786
<b>Total comprehensive income for the year:</b>									
Profit for the year	-	-	-	-	-	-	-	58,924,745	58,924,745
<b>Other comprehensive income, net of tax</b>									
Actuarial loss on remeasurement of retirement benefit	-	-	-	-	-	-	-	(1,061,292)	(1,061,292)
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	3,457,636	-	3,457,636
<b>Total other comprehensive gain/(loss)</b>	-	-	-	-	-	-	3,457,636	(1,061,292)	2,396,344
<b>Total comprehensive (loss)/income</b>	-	-	-	-	-	-	3,457,636	57,863,453	61,321,089
<b>Transactions with equity holders, recorded directly in equity:</b>									
Transfers for the year	-	-	20,824,401	8,838,715	-	-	-	(29,663,116)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(15,241,014)	(15,241,014)
Proceed from right issue	3,022,526	36,938,605	-	-	-	-	-	-	39,961,131
Scheme shares	-	-	-	-	536,326	-	-	-	536,326
Vested Shares	-	-	-	-	(304,414)	-	-	-	(304,414)
<b>Total contributions by and distributions to equity holders</b>	3,022,526	36,938,605	20,824,401	8,838,715	231,912	-	-	(44,904,130)	24,952,029
<b>Balance at 31 December 2015</b>	14,463,986	197,974,816	37,826,382	43,397,152	527,331	3,489,081	13,291,054	49,459,102	360,428,904



## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Cash flows from operating activities</b>				
Profit before income tax and discontinued operations	90,339,456	75,038,117	80,579,576	65,177,914
<b>Adjustments for:</b>				
Depreciation of property and equipment	9,106,886	8,615,137	7,774,591	7,762,291
Amortization of intangible assets	2,186,905	1,483,193	1,854,437	1,324,075
Gain on disposal of property and equipment	(167,340)	(151,937)	(143,985)	(138,975)
Loss/(Gain) on disposal of investment securities	(17,894,576)	2,014,413	(17,894,576)	2,014,249
Fair value loss on assets held for sale	-	741,360	-	741,357
Impairment on financial assets	21,952,819	14,224,715	17,641,127	13,287,613
Additional gratuity provision	1,207,851	784,305	1,196,995	784,305
Equity share-based payment expense	1,061,070	536,326	884,777	536,327
Property and equipment written off	394,973	571,196	155,143	58,394
Net interest income	(137,289,619)	(94,381,272)	(114,539,411)	(90,045,956)
Unrealised foreign exchange loss on revaluation	5,272,035	4,679,257	5,333,604	16,040,232
Dividend income	(860,339)	(3,734,392)	(860,339)	(4,190,824)
	(24,689,879)	10,420,418	(18,018,061)	13,351,002
<b>Changes in operating assets</b>				
Non-pledged trading assets	7,622,062	(23,886,778)	7,622,062	(23,886,778)
Derivative financial instruments	(50,771,390)	(51,949,881)	(50,061,510)	(53,486,956)
Pledged assets	(111,232,105)	(116,643,250)	(114,482,878)	(115,281,271)
Restricted deposits	(130,490,427)	7,427,992	(129,978,902)	7,211,760
Loans and advances to banks and customers	(376,205,828)	(279,812,242)	(293,285,572)	(224,681,237)
Other assets	17,588,435	(14,804,294)	24,813,416	(15,255,636)
<b>Changes in operating liabilities</b>				
Deposits from banks	94,853,538	(41,152,364)	32,098,779	(71,650,088)
Deposits from customers	398,213,235	297,556,876	279,424,380	201,866,013
Other liabilities	44,215,293	55,607,305	43,444,581	47,224,229
Interest paid on deposits to banks and customers	(77,202,482)	(162,225,080)	(62,659,950)	(76,485,997)
Interest received on loans and advances	228,932,846	148,061,291	162,170,378	133,954,047
	20,833,298	(171,400,007)	(118,913,277)	(177,120,912)
Income tax paid	(8,007,140)	(6,259,617)	(5,222,302)	(4,125,701)
<b>Net cash generated from operating activities</b>	<b>12,826,158</b>	<b>(177,659,624)</b>	<b>(124,135,579)</b>	<b>(181,246,613)</b>
<b>Cash flows from investing activities</b>				
Acquisition of investment securities	(512,931,206)	(587,338,468)	(440,519,173)	(572,059,332)
Interest received on investment securities	38,148,395	76,711,827	23,716,900	35,576,603
Investment under management	-	-	-	-
Dividend received	860,339	3,734,392	860,339	4,190,824
Acquisition of property and equipment	(18,042,759)	(13,895,033)	(14,703,151)	(10,592,121)
Proceeds from the sale of property and equipment	562,167	1,194,234	436,417	1,170,354
Acquisition of intangible assets	(2,537,024)	(2,146,643)	(2,050,313)	(1,865,169)
Proceeds from matured investment securities	138,685,918	194,615,198	110,725,856	177,242,121
Proceeds from disposal of asset held for sale	39,116	-	39,116	-
Additional investment in subsidiary of subsidiaries	-	-	(12,350,316)	(4,572,450)
Proceeds from sale of investment securities	340,924,190	435,616,351	340,924,190	459,439,815
Proceeds from sale of equity investments	16,347,587	-	16,347,587	-
<b>Net cash generated from investing activities</b>	<b>2,056,723</b>	<b>108,491,858</b>	<b>23,427,452</b>	<b>88,530,645</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

### Cash flows from financing activities

Interest paid on borrowings and debt securities issued	(23,198,980)	(20,522,742)	(24,892,489)	(14,930,520)
Proceeds from interest bearing borrowings	76,563,621	163,229,775	69,307,929	162,647,155
Repayment of interest bearing borrowings	(28,626,050)	(15,331,150)	(28,626,050)	(15,331,150)
Proceeds from right issues	-	39,961,131	-	39,961,131
Purchase of own shares	(1,553,603)	(1,033,492)	-	(1,033,490)
Dividends paid to owners	(15,910,384)	(15,280,704)	(15,910,384)	(15,241,014)
Debt securities issued	86,899,697	-	86,899,697	-
<b>Net cash provided by financing activities</b>	<b>94,174,301</b>	<b>151,022,818</b>	<b>86,778,703</b>	<b>156,072,112</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>109,057,182</b>	<b>81,855,052</b>	<b>(13,929,424)</b>	<b>63,356,144</b>
Cash and cash equivalents at end of year	343,075,964	234,044,111	149,467,972	163,405,749
Cash and cash equivalents at beginning of year	234,044,111	152,748,398	163,405,749	100,897,058
Effect of exchange rate fluctuations on cash held	(25,329)	(559,339)	(8,353)	(847,452)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>109,057,182</b>	<b>81,855,052</b>	<b>(13,929,424)</b>	<b>63,356,144</b>



## 1.0 General information

Access Bank Plc ("the Bank") is a company domiciled in Nigeria. The address of the Bank's registered office is Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos (formerly Plot 1665, Oyin Jolayemi, Victoria Island, Lagos). The consolidated financial statements of the Bank for the period ended 31 December 2016 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking and is listed on the Nigerian Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 26 January 2017. The directors have the power to amend and reissue the financial statements.

## 2.0 Statement of compliance with International Financial Reporting Standards

The consolidated and separate financial statements of the Group and Bank respectively, have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). Additional information required by national regulations is included where appropriate.

## 3.0 Basis of preparation

This financial statements has been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. This consolidated financial statement comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statements of changes in equity, the consolidated cash flow statement and the notes.

### 3.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Functional and presentation currency

These consolidated financial statements are presented in Naira, which is the Group's presentation currency; except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(b) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value.
- non-derivative financial instruments at fair value through profit or loss are measured at fair value.
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost
- non-current assets held for sale measured at fair value less costs to sell. Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the period in which it arise.

(c) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 4.

### 3.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the group

Below are the IFRSs and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that are relevant to the group.

None of these standards were early adopted in the prior period by the Group as early adoption is not permitted by the Financial Reporting Council of Nigeria (FRCN).

**(i) Amendments to IFRS 7 - Financial Instruments: Disclosures**

Amends IFRS 7 to remove the phrase 'and interim periods within the annual periods' from paragraph 44R, clarifying that offsetting disclosures is not required in the condensed interim financial report. However, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, an entity is required to include the disclosures in the condensed interim financial report.

On servicing contract, it clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required. This standard does not have any impact on this financial statement.

**(ii) Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions**

Amends IAS 19 to clarify that high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

There is no material impact on the accounting policies, financial position or performance of the Group.

**(b) New and amended standards and interpretations not yet adopted by the Group**

As at year end, a number of standards and interpretations, and amendments thereto, had been issued by the IASB which are not yet effective for these consolidated financial statements. Details are set out below.

**IFRS 9 Financial Instruments: Classification and Measurement (effective 1 January 2018)**

IFRS 9 is part of the IASB's project to replace IAS 39. It addresses classification, measurement and impairment of financial assets as well as hedge accounting.

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortized cost, fair value through OCI and fair value through profit or loss. It includes the guidance on accounting for and presentation of financial liabilities and derecognition of financial instruments which was previously in IAS 39. Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss be reflected in impairment allowances. The bank is yet to quantify the impact of this change although it is expected to lead to an increased impairment charge than recognized under IAS 39.

Furthermore, the IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The bank is yet to quantify the impact of these changes on its financial statements.

The Bank is currently at the impact assessment phase of the IFRS 9 journey. The focus is on understanding the IFRS 9 financial and operational implications, with outcomes being key inputs to the design and implementation phases. Also, the phase will help the bank identify any gaps with the implementation of IFRS 9, especially in terms of the people, processes, technology and controls that will be necessary to drive an effective implementation."

The Bank expects to enter the Design phase by Q1, 2017. This phase will involve obtaining information from current systems, adjusting the IT systems to capture the additional data requirements and determination of what constitutes a default and significant credit loss. By Q2 2017, it will be ready for a parallel run of the IFRS 9 and IAS 39 standards.



### **IFRS 16 Leases (effective 1 January 2019)**

IFRS 16 Leases ("IFRS 16") eliminates the classification of leases as either operating leases or finance leases for a lessee, and instead introduces a single lessee accounting model. Applying that model, a lessee is required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the statement of comprehensive income. The requirements relating to the definition of a lease have been changed from those included in IAS 17. Guidance is provided on how to determine short term leases as well as leases of low-value assets. The accounting requirements for lessors have largely remained unchanged. New disclosures regarding leases are also introduced. The effective date of IFRS 16 is 1 January 2019, with an allowance for early adoption, provided the entity applies IFRS 15 Revenue from Contracts with Customers at the same time. The group is in the process of assessing the impact.

### **IFRS 15 – Revenue from contracts with customers. (with effective date of 1 January 2018)**

The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. The Standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The group is in the process of assessing the impact.

### **IAS 12 – Income Taxes. (with effective date of 1 January 2017)**

Amends IFRS 12 to clarify accounting treatment for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount.

### **IAS 7 – Statement of Cash Flows. (with effective date of 1 January 2017)**

Amends IAS 7 to include disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment specifies that the following changes arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

#### **Other IFRS that are relevant to the group include:**

<b>IFRS</b>	<b>Effective Date</b>	<b>Subject of amendment</b>
Amendments to IFRS 10, and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	Annual periods beginning on or after 1 January 2016	These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
Amendments to IAS 27, 'Equity method in separate financial statements	Annual periods beginning on or after 1 January 2016	Allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Amendments IAS 16, 'Property, plant and equipment'	Annual periods beginning on or after 1 January 2016	This amendment has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
Amendments IFRS 10, 'Consolidated financial statements'	Annual periods beginning on or after 1 January 2016	These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
Amendments IAS 38, 'Intangible assets'	Annual periods beginning on or after 1 January 2016	Amends IAS 38 to introduce a rebuttable presumption that a revenue-based amortization method for intangible assets is inappropriate for the same reasons as stated in amendment to IAS 16 above. The amendment stated that there are limited circumstances where the rebuttable presumption can be overcome. This is when the intangible asset is expressed as a measure of income and when it can be demonstrated that revenue and consumption of economic benefits of the intangible asset are highly correlated although there are no clear details as to the admissible evidence that is required to overcome the presumption. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the Group's intangible asset (software), hence the amendment does not impact the Group.
Amendments IAS 34, 'Interim Financial Reporting'	Annual periods beginning on or after 1 January 2016	Amends IAS 34 to clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross reference between the financial statements and wherever they are included within the greater interim financial report (e.g. management commentary or risk report). This standard does not have any impact on this financial statement.
Amendments IAS 34, 'Employee Benefits'	Annual periods beginning on or after 1 January 2016	The amendment clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid. The Bank uses interest rate on the Federal government bond to estimate the post-employment benefits.
Amendments IFRS 5, 'Non Current Asset Held for Sale and Discontinued Operations'	Annual periods beginning on or after 1 January 2016	Amends IFRS 5 with specific guidance on changes in disposal methods, for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases for which held for distribution accounting is discontinued. The amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new disposal plan, rather it is a continuation of the original plan. This standard does not have any impact on this financial statement.

Other standards not listed are not considered relevant or would have no impact to the group.



### 3.3 Basis of consolidation

#### (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group exercise control. Control is achieved when the Group can demonstrate it has:

- [i] power over the investee;
- [ii] exposure, or rights, to variable returns from its involvement with the investee; and
- [iii] the ability to use its power over the investee to affect the amount of the investor's returns

The Group reassess periodically whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity.

The Group assesses existence of control where it does not have more than 50% of the voting power i.e when it holds less than a majority of the voting rights of an investee. A group considers all relevant facts and circumstances in assessing whether or not its voting rights are sufficient to give it power, including:

- [i] a contractual arrangement between the group and other vote holders
- [ii] rights arising from other contractual arrangements
- [iii] the group's voting rights (including voting patterns at previous shareholders' meetings)
- [iv] potential voting rights

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

#### (b) Business combinations

The Group applies IFRS 3 Business Combinations (revised) in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights.

The Group measures goodwill at the acquisition date as the total of:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a gain from a bargain purchase is recognised immediately in statement of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

**(c) Loss of control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such an interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments.

**(d) Disposal of subsidiaries**

"When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement. The gain/loss arising from disposal of subsidiaries is included in the profit/loss of discontinued operations in the statement of comprehensive income.

Foreign currency translation differences become realised when the related subsidiary is disposed."

**(e) Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**(f) Transactions eliminated on consolidation**

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

### 3.4 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

### 3.5 Foreign currency translation

**(a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira', which is the group's presentation currency.

The Group in the normal course of business sets up Structured Entries (SEs) for the sole purpose of raising finance in foreign jurisdictions. The SEs raises finance in the currency of their jurisdictions and passes the proceeds to the group entity that set them up. All costs and interest on the borrowing are borne by the sponsoring group entity. These SEs are deemed to be extensions of the sponsoring entity, and hence, their functional currency is the same as that of the sponsoring entity.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.



### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- [i] assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- [ii] income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- [iii] "all resulting exchange differences are recognised in other comprehensive income."

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

### 3.6 Operating income

#### (a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the consolidated income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis.
- interest on available-for-sale investment securities calculated on an effective interest basis

#### (b) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Fee and commission presented in the income statement includes:

- Credit related fees and commission: These fees are not integral to the loans and are therefore not included in the EIR calculation. These are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.
- Current account maintenance fees (formerly Commission on Turnover): This fee is charged as N1 on every N1,000 in respect of all customer induced debit transactions. This fee is recognised one-off by the bank.
- Other fees and commission income, includes card related commissions, commission on letters of credit, account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees. These fees and commissions are recognised as the related services are performed

### (c) Net gains on investment securities

Net gains on investment securities comprise of the following:

- Net gains/losses on financial instruments classified as held for trading: This includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value of derivatives instruments.
- Net gains on financial instruments held as available for sale: This relates to gains arising from the disposal of financial instruments held as available for sale as well as fair value changes reclassified from other comprehensive income upon disposal.

### (d) Foreign exchange income

Foreign exchange income includes foreign exchange gains on revaluation and unrealised foreign exchange gains on revaluation.

### (e) Other operating income

Other operating income includes items such as dividends, gains on disposal of properties, rental income, income from asset management, brokerage and agency as well as income from other investments.

- Dividend on available for sale equity securities: This is recognised when the right to receive payment is established. Dividends are reflected as a component of other operating income.

## 3.7 Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

## 3.8 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the bank and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### (b) Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 3.9 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities (which include derivative financial instruments) have to be recognised in the consolidated statement of financial position and measured in accordance with their assigned category.



The table below reconciles classification of financial instruments to the respective IAS 34/39 category.

	<b>Category (as defined by IAS 39)</b>		<b>Class (as determined by the Group)</b>
Financial as- sets	Financial assets at fair value through profit or loss		Non pledged trading assets
			Derivative financial assets
	Loans and receivables		Cash and balances with banks
			Loans and advances to banks
			Loans and advances to customers
			Other assets
	Held to maturity		Investment securities - debt securities (pledged and non pledged)
	Available for sale financial assets		Investment securities - debt securities (pledged and non pledged)
			Investment securities - equity securities
			Investment under management
	<b>Category (as defined by IAS 39)</b>		<b>Class (as determined by the Group)</b>
Financial liabilities	Financial liabilities at fair value through profit or loss		Derivatives
	Financial liabilities at amortised cost		Deposits from banks
			Deposits from customers
			Interest bearing borrowings
			Debt securities issued
	Other liabilities		

The purchases and sales of financial assets are accounted for in the Group's books at settlement date.

**(a) Financial assets**

The Group allocates financial assets to the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

**[i] Financial assets at fair value through profit or loss**

This category comprises two sub-categories: financial assets classified as held for trading and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, as well as financial assets with embedded derivatives. They are recognised in the consolidated statement of financial position as 'non-pledged trading assets'.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the consolidated income statement. Gains and losses arising from changes in fair value are included directly in the consolidated income statement and are reported as Net gains on financial instruments classified as held for trading. Interest income and expense and dividend income and expenses on financial assets held for trading are included in 'Net interest income' or 'Dividend income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

The Group designates certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. According to IAS 39, the fair value option is only applied when the following conditions are met:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

#### **[ii] Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Finance lease receivables are reported within loans and receivables where the Group is the lessor in a lease agreement. Such lease agreement transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee. The loans and receivables equal to the net investment in the lease is recognised and presented within loans and advances.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

Loans and receivables are initially recognised at fair value – which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the consolidated statement of financial position as loans and advances to banks or customers or as investment securities. Interest on loans is included in the consolidated income statement and is reported as 'Interest income'. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the consolidated income statement under "net impairment loss on financial assets"

#### **[iii] Held-to-maturity**

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss, loans and receivables or available-for-sale.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset's fair value.
- Sales or reclassification after the Group has collected substantially all the asset's original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

Interest on held-to-maturity investments is included in the consolidated income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognised in the consolidated income statement as 'net impairment loss on financial assets'. Held-to-maturity investments include treasury bills and bonds.

#### **[iv] Available-for-sale**

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost and subjected to impairment. All other available-for-sale investments are carried at fair value.

Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in the income statement when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in the income statement



Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired whereupon the cumulative gains and losses previously recognised in other comprehensive income are recognised to the income statement as a reclassification adjustment.

A non-derivative financial asset may be reclassified from the available-for-sale category to the loans and receivable category if it otherwise would have met the definition of loans and receivables and if the Group has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

Available for sale instruments include investment securities.

**[v] Investments under management**

Investment under management are funds entrusted to Asset management firms who acts as agents to the bank for safe keeping and management for investment purpose with returns on the underlying investments accruable to the Bank, who is the principal.

The investment decision made by the Asset management within an agreed portfolio of high quality Nigerian fixed income and money market instruments which are usually short tenured.

The investments are carried as available-for-sale and accounting policy (3.9) (a) [iv] applies.

**(b) Financial liabilities**

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

**[i] Financial liabilities at amortised cost**

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

Deposits and debt securities issued are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "stock lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements as pledged assets.

The Group classifies debt instruments as financial liabilities or equity in accordance with the contractual terms of the instrument.

Deposits and debt securities issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

On this statement of financial position, other financial liabilities carried at amortised cost include deposit from banks, deposit from customers, interest bearing borrowings, debt securities issued and other liabilities

**[ii] Financial liabilities at fair value**

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities. Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

**(c) De-recognition**

**[i] Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset

obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement.

The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions as the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again.

#### **(ii) Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### **(d) Offsetting**

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity. See note 5.1.5

#### **(e) Sale and repurchase agreements**

Securities sold subject to repurchase agreements ('repos') remain on the statement of financial position; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (reverse repos) are recorded as money market placement. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income.

#### **(f) Measurement**

##### **[i] Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

##### **[ii] Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of



other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

#### **(g) Identification and measurement of impairment**

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably

Objective evidence that financial assets (including equity securities) are impaired can include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

#### **(i) Loans and receivables**

The Group considers evidence of impairment for loans and advances and held-to-maturity investments at both a specific and collective level. All individually significant loans and advances and held-to maturity investment securities are assessed for specific impairment. All individually significant loans and advances and held-to maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities (held at amortised cost) with similar characteristics.

In assessing collective impairment the Group uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

#### **(ii) Available for sale securities**

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to the income statement as a reclassification adjustment.

For debt securities, the group uses the criteria referred to in (i) above to assess impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If,

in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through the income statement; otherwise, any increase in fair value is recognised through OCI. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is always recognised in OCI.

The Group writes off previously impaired loans and advances (and investment securities) when they are determined not to be recoverable. The Group writes off loans or investment debt securities that are impaired (either partially or in full and any related allowance for impairment losses) when the Group credit team determines that there is no realistic prospect of recovery.

**(h) Cash and balances with banks**

Cash and balances with banks include notes and coins on hand, balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, unrestricted balances with foreign and central banks, money market placements and other short-term highly liquid investments with original maturities of three months or less.

**(i) Repossessed collateral**

Repossession collateral are equities, investment properties or other investments repossessed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement.

**(j) Derivative financial instruments**

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets (for example, for exchange-traded options), including recent market transactions, and valuation techniques (for example for swaps and currency transactions), including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Group mitigates the credit risk of derivatives by holding collateral in the form of cash.

**(k) Reclassification of financial assets**

The Bank may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Bank may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Bank has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

**(l) Pledged assets**

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets held for trading or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.

Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as held for trading, available for sale or held to maturity. Where the assets pledged as collateral are designated as held for trading, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as available for sale are measured at fair-value through equity. Assets pledged as collateral designated as held to maturity are measured at amortized cost.

**3.10 Investment properties**

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the Group. An occupation of more than 15% of the property is considered substantial. Investment properties is measured initially at cost including transaction cost and subsequently carried in the statement of financial position at their market value and revalued yearly on a systematic basis. Investment properties are not subject to periodic charge for depreciation. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the period which it arises as: "Fair value gain on investment property



Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement inside operating income.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

### **3.11 Property and equipment**

#### **(a) Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When significant parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in the Income statement

#### **(b) Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in Income statement as incurred.

#### **(c) Depreciation**

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

Leasehold Land and Building	Over the shorter of the useful life of the item or lease term
Leasehold improvements	Over the shorter of the useful life of the item or lease term
Buildings	50 - 60 years
Computer hardware	3 - 4.5 years
Furniture and fittings	3 - 6 years
Motor vehicles	4-5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

#### **(d) De-recognition**

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

### **3.12 Intangible assets**

#### **(a) Goodwill**

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### **(b) Software**

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of software is between three and five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **3.13 Leases**

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance leases and operating leases.

A group company is the lessee

#### **(a) Operating lease**

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to operating expenses in the income statement on a straight-line basis over the period of the lease and used as investment property.

#### **(b) Finance lease**

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in deposits from banks or deposits from customers depending on the counter party. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties acquired under finance leases are measured subsequently at their fair value.

A group company is the lessor

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

### **3.14 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.



An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.15 Discontinued operations

The Group presents discontinued operations in a separate line in the consolidated income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and:

- (a) Represents a separate major line of business or geographical area of operations;
- (b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) Is a subsidiary acquired exclusively with a view to resale (for example, certain private equity investments).

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the consolidated income statement.

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

### 3.16 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the period in which it arise.

### 3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expenses.

#### (a) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

### 3.18 Financial guarantees

Financial guarantees which include Letters of credit are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Letters of credits which have been guaranteed by Access bank but funded by the customer is included in other liabilities while those guaranteed and funded by the Bank is included in Deposit from financial institutions.

### 3.19 Employee benefits

#### (a) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value at the reporting date.

The Bank operates a funded, defined contribution pension scheme for employees. Employees and the Bank contribute 8% and 10% respectively of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.

#### (b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

#### (c) Long-term Incentive Plan

The Bank has a non-contributory, un-funded lump sum defined benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions.

Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade. The Bank's net obligation in respect of the long term incentive scheme is calculated by estimating the amount of future benefits that eligible employees have earned in return for service in the current and prior periods. That benefit is discounted to determine its present value. The rate used to discount the post employment benefit obligation is determined by reference to the yield on Nigerian Government Bonds, that have maturity dates approximating the terms of the Bank's obligations.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immediately recognized in the income statement. The Bank recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur. They are not recycled subsequently in the income statement.

#### (d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (e) Share-based payment remuneration scheme

The Group applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares. Employee incentives include awards in the form of shares. The cost of the employee services received in respect of the shares or share granted is recognised in the income statement over the period that employees provide services, generally the period between the date the award is granted or notified and the vesting date of the shares. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant. The number of shares expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a forfeiture, resulting in an acceleration of recognition of the cost of the employee services.

The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability.

### 3.20 Share capital and reserves

#### (a) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.



**(b) Dividend on the Bank's ordinary shares**

Dividends on ordinary shares are recognised in equity in the period when approved by the Bank's shareholders. Dividends for the year that are declared after the end of the reporting period are dealt with in the subsequent events note.

**(c) Treasury shares**

Where the Bank or any member of the Group purchases the Bank's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled or disposed. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

**(d) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**(e) Statutory credit reserve**

In compliance with the Prudential Guidelines for Licensed Banks, the Group assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing losses in risk assets. Assets are classified as performing or non-performing. Non performing assets are further classed as substandard, doubtful or lost with attendant provisions per the table below based on objective criteria

Classification	Percentage	Basis
Substandard	10%	Interest and/or principal overdue by 90 days but less than 180 days
Doubtful	50%	Interest and/or principal overdue by 180 days but less than 365 days
Lost	100%	Interest and/or principal overdue by more than 365 days

A more accelerated provision may be done using the subjective criteria. A 2% provision is taken on all risk assets that are not specifically provisioned

The results of the application of Prudential Guidelines and the impairment determined for these assets under IAS 39 are compared. The IAS 39 determined impairment charge is always included in the income statement

Where the Prudential Guidelines provision is greater, the difference is appropriated from retained earnings and included in a non-distributable 'Statutory credit reserve'. Where the IAS 39 impairment is greater, no appropriation is made and the amount of IAS 39 impairment is recognised in income statement

Following an examination, the regulator may also require more amounts to be set aside on risk and other assets. Such additional amounts are recognised as an appropriation from retained earnings to statutory risk reserve.

**4.0 Use of estimates and judgements**

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied judgements are:

- (i) Allowances for credit losses
- (ii) Valuation of financial instruments
- (iii) Determination of fair value of investment property
- (iv) Determination of impairment of property and equipment, and intangible assets excluding goodwill
- (v) Assessment of impairment of goodwill on acquired subsidiaries
- (vi) Defined benefit plan"

Key sources of estimation uncertainty

**(i) Allowances for credit losses**

Loans and advances to banks and customers are accounted for at amortised cost and are evaluated for impairment on a basis described in accounting policy 3.9

"The Bank reviews its loan portfolios to assess impairment at least on a half yearly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating an

impairment trigger followed by measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the Bank.

The Bank makes use of estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently reviewed by the Credit Risk Management Department (CRMD).

A collective component of the total allowance is established for:

- Groups of homogeneous loans that are not considered individually significant and
- Groups of assets that are individually significant but were not found to be individually impaired

Collective allowance for groups of homogeneous loans is established using statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate."

Collective allowance for group of assets that are individually significant but that were not found to be individually impaired cover credit losses inherent in portfolios of loans and advances and held to maturity investment securities with similar credit characteristics when there is objective evidence to suggest that they contain impaired loans and advances and held to maturity investment securities, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are estimated.

#### Sensitivity of Exposure at default - Probability of Default (PD) & Loss Given Default (LGD)

Had there been a 20% reduction in expected cashflows from all the significant impaired loans, there would have been an additional impairment of N2.2bn in the financial statements relating to this. In addition, if the LGDs were increased by 2%, there would have been an additional impairment charge of N21.1bn and if the PDs and LGDs decreased by 2%, there would have been a write back of impairment of N20.2bn.

Impact on Profit before tax	Group	Group	Group	Group
	December 2016	December 2015	December 2016	December 2015
	Loans and advances to individuals		Loans and advances to corporates	
20% reduction in expected cashflow and trigger on customer rated 5	(2,204,979)	(3,288,201)	(2,204,979)	(2,421,278)
Increase in LGD and PD by 2%	(21,795,115)	(18,590,841)	(21,129,199)	(17,761,796)
Decrease in LGDs and PD by 2%	20,940,405	17,571,970	20,288,377	16,775,437
Increase in LGDs and PD by 10%	(23,504,536)	(20,746,946)	(22,911,741)	(19,852,878)
Decrease in LGDs and PD by 10%	19,230,984	15,662,340	18,707,632	14,930,831



### Statement of prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

a) Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".
- Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

### b) The non-distributable reserve should be classified under Tier 1 as part of the core capital.

The Bank has complied with the requirements of the guidelines as follows:

Statement of prudential adjustments		December	December
<i>In thousands of Naira</i>		2016	2015
<b>Bank</b>	Note	-	-
<b>Loans &amp; advances:</b>			
Specific impairment allowances on loans to customers			
- Loans to Individuals	23(b)	405,200	250,624
- Loans to Corporate	23(b)	9,679,116	8,922,599
Specific impairment allowances on loans to banks	22		
Collective impairment allowances on loans to customers			
- Loans to Individuals	23(b)	1,039,812	861,632
- Loans to Corporates	23(b)	19,151,386	16,871,228
Collective impairment allowances on loans to banks	22	23,386	9,086
<b>Total impairment allowances on loans per IFRS</b>		<b>30,298,900</b>	<b>26,915,169</b>
<b>Total regulatory impairment based on prudential guidelines</b>		<b>65,357,116</b>	<b>64,741,551</b>
Balance, beginning of the year		37,826,382	17,001,981
Additional transfers to regulatory risk reserve		(2,768,116)	20,824,401
<b>Balance, end of the year</b>		<b>35,058,266</b>	<b>37,826,382</b>

The Central Bank of Nigeria (CBN) via circular BSD/DIR/GEN/LAB/08/052 dated 11 November 2015, directed banks in Nigeria to increase the general provision on performing loans from 1 percent to 2 percent for prudential review of credit portfolios in order to ensure adequate buffer against unexpected loan losses.

### 4.1 Valuation of financial instruments

The table below analyses financial and non-financial instruments measured at fair value at the end of the financial year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

#### 4.1.1 Recurring fair value measurements

In thousands of Naira

##### Group

##### December 2016

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investment under management	7,346,795	7,524,452	-	14,871,247
Non pledged trading assets				
Treasury bills	34,381,635	-	-	34,381,635
Bonds	10,170,293	18,304	-	10,188,597
Equity	59,348	-	-	59,348
Derivative financial instruments	-	156,042,984	-	156,042,984
Pledged assets				
Treasury bills	188,239,520	-	-	188,239,520
Bonds	7,516,209	-	-	7,516,209
Investment securities				
Available for sale				
Treasury bills	69,346,601	-	-	69,346,601
Bonds	29,252,094	3,431,482	-	32,683,577
Equity	1,147,387	7,451,138	50,069,030	58,667,555
Assets held for sale	-	-	140,727	140,727
	347,459,882	174,468,361	50,209,757	572,138,000

##### Liabilities

Derivative financial instruments	-	30,444,501	-	30,444,501
	-	30,444,501	-	30,444,501

##### Group

##### December 2015

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investment under management	3,093,403	7,309,287	-	10,402,690
Non pledged trading assets				
Treasury bills	31,738,748	18,470,695	-	50,209,443
Bonds	2,025,000	-	-	2,025,000
Equity	63,979	-	-	63,979
Derivative financial instrument	-	77,905,020	-	77,905,020
Pledged assets				
Treasury bills	96,614,984	7,069,060	-	103,684,044
Bonds	18,669,957	-	-	18,669,957
Investment securities				
Available for sale				
Treasury bills	28,996,006	-	-	28,996,006
Bonds	56,842,367	4,361,847	-	61,204,214
Equity	741,096	8,317,689	35,696,780	44,755,565
Assets held for sale	-	-	179,843	179,843
	238,785,540	123,433,598	35,876,623	398,095,761

##### Liabilities

Derivative financial instruments	-	3,077,927	-	3,077,927
	-	3,077,927	-	3,077,927



## Bank

### December 2016

In thousands of Naira

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investment under management	7,346,795	7,524,452	-	14,871,247
Non pledged trading assets				
Treasury bills	34,381,635	-	-	34,381,635
Bonds	10,170,293	18,304	-	10,188,597
Equity	59,348	-	-	59,348
Derivative financial instruments				
Pledged assets	188,239,520	-	-	188,239,520
Treasury bills	7,516,209	-	-	7,516,209
Bonds	-	155,772,662	-	155,772,662
Investment securities				
Available for sale				
Treasury bills	40,960,665	-	-	40,960,665
Bonds	18,025,037	3,431,482	-	21,456,519
Equity	1,147,387	7,451,138	49,821,881	58,420,406
Assets held for sale	-	-	140,727	140,727
	307,846,889	174,198,038	49,962,608	532,007,535
<b>Liabilities</b>				
Derivative financial instruments	-	30,275,181	-	30,275,181
	-	30,275,181	-	30,275,181

## Bank

### December 2015

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investment under management	3,093,403	7,309,287	-	10,402,690
Non pledged trading assets				
Treasury bills	31,738,748	18,470,695	-	50,209,443
Bonds	2,025,000	-	-	2,025,000
Equity	63,979	-	-	63,979
Derivative financial instrument				
Pledged assets	96,614,984	7,069,060	-	103,684,044
Treasury bills	18,669,957	-	-	18,669,957
Bonds	-	77,852,349	-	77,852,349
Investment securities				
Available for sale				
Treasury bills	10,436,981	-	-	10,436,981
Bonds	56,842,367	3,853,736	-	60,696,103
Equity	741,096	8,317,689	35,696,780	44,755,565
Assets held for sale	-	-	179,843	179,843
	220,226,515	122,872,816	35,876,623	378,975,954
<b>Liabilities</b>				
Derivative financial instruments	-	2,416,378	-	2,416,378
	-	2,416,378	-	2,416,378

There were no transfers between levels 1 and 2 during the year.

**Group****December 2016***In thousands of Naira*

<b>4.1.2 Financial Instruments not measured at fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Cash and balances with banks	-	714,858,231	-	714,858,231
Investment under management	-	-	-	-
Loans and advances to banks	-	45,847,527	-	45,847,527
Loans and advances to customers	-	-	1,771,419,816	1,771,419,816
Pledged assets				
Treasury bills	-	-	-	-
Bonds	79,336,927	-	-	79,336,927
Investment securities				
Held to Maturity				
Treasury bills	27,347,558	-	-	27,347,558
Bonds	30,729,231	-	-	30,729,231
Other assets	-	-	41,796,068	41,796,068
	137,413,716	760,705,758	1,813,215,884	2,711,335,359
<b>Liabilities</b>				
Deposits from financial institutions	-	167,356,583	-	167,356,583
Deposits from customers	-	2,101,625,991	-	2,101,625,991
Other liabilities	-	-	111,117,648	111,117,648
Debt securities issued	312,815,183	-	-	312,815,183
Interest-bearing borrowings	72,895,869	230,282,772	-	303,179,641
	385,711,052	2,499,265,346	111,117,648	2,996,094,046

**Group****December 2015***In thousands of Naira*

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Cash and balances with banks	-	478,409,336	-	478,409,336
Investment under management	918	-	-	918
Loans and advances to banks	-	43,117,434	-	43,117,434
Loans and advances to customers	-	-	1,364,822,146	1,364,822,146
Pledged assets				
Treasury bills	-	-	-	-
Bonds	58,349,639	-	-	58,349,639
Investment securities				
Held to Maturity				
Treasury bills	7,665,767	-	-	7,665,767
Bonds	58,349,638	5,559,182	-	63,908,820
Other assets	-	-	72,160,739	72,160,739
	124,365,962	527,085,952	1,436,982,885	2,088,434,799
<b>Liabilities</b>				
Deposits from financial institutions	-	72,910,858	-	72,910,858
Deposits from customers	-	1,682,766,276	-	1,682,766,276
Other liabilities	-	65,277,321	-	65,277,321
Debt securities issued	137,841,311	-	-	137,841,311
Interest-bearing borrowings	-	236,648,640	-	236,648,640
	137,841,311	2,057,603,095	-	2,195,444,406



## Bank

### December 2016

In thousands of Naira

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with banks	-	517,997,249	-	517,997,249
Investment under management	-	-	-	-
Loans and advances to banks	-	104,651,099	-	104,651,099
Loans and advances to customers	-	-	1,584,350,701	1,584,350,701
Pledged assets				
Treasury bills	-	-	-	-
Bonds	79,336,927	-	-	79,336,927
Investment securities				
Held to maturity				
Treasury bills	-	-	-	-
Bonds	30,729,231	-	-	30,729,231
Other Assets	-	-	33,265,072	33,265,072
	110,066,158	622,648,348	1,617,615,773	2,350,330,279
<b>Liabilities</b>				
Deposits from financial institutions	-	95,107,837	-	95,107,837
Deposits from customers	-	1,825,471,578	-	1,825,471,578
Other liabilities	-	-	105,287,724	105,287,724
Debt securities issued	227,210,069	-	-	227,210,069
Interest-bearing borrowings	72,895,869	303,178,641	-	376,074,510
	300,105,938	2,223,758,056	105,287,724	2,629,151,718

## Bank

### December 2015

In thousands of Naira

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with banks	-	405,998,636	-	405,998,636
Investment under management	918	-	-	918
Loans and advances to banks	-	60,276,940	-	60,276,940
Loans and advances to customers	-	-	1,242,206,624	1,242,206,624
Pledged assets				
Treasury bills	-	-	-	-
Bonds	58,573,185	-	-	58,573,185
Investment securities				
Held to maturity				
Treasury bills	-	-	-	-
Bonds	35,949,492	2,750,701	-	38,700,193
Other Assets	-	-	69,509,746	69,509,746
	94,523,595	469,026,277	1,311,716,370	1,875,266,242
<b>Liabilities</b>				
Deposits from financial institutions	-	63,342,003	-	63,342,003
Deposits from customers	-	1,527,735,839	-	1,527,735,839
Other liabilities	-	62,871,485	-	62,871,485
Debt securities issued	69,591,973	-	-	69,591,973
Interest-bearing borrowings	68,249,338	236,066,022	-	304,315,360
	137,841,311	1,890,015,349	-	2,027,856,660

## Financial instrument measured at fair value

### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily government bonds, corporate bonds, treasury bills and equity investments classified as trading securities or available for sale investments.

### (b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:

- (i) Quoted market prices or dealer quotes for similar instruments;
- (ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- (iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

### (c) Financial instruments in level 3

The Group uses widely recognised valuation models for determining the fair value of its financial assets. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain Investment securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate.

For level 2 assets, fair value was obtained using a recent market transaction during the year under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics. There were no transfer between levels 1 and 2 during the year.

### (ii) Determination of fair value of financial instruments.

#### Valuation techniques used to derive Level 2 fair values

Description	Fair value at 31 December 2016	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of unobservable
Investment in MTN	7,451,138	Fair value through quoted share price as at last trade date.	Share price from last trade date  Number of units owned by Access bank	7,823,695	7,078,581	inputs to fair value The higher the share price as at the last trade date, the higher the fair value



### Valuation techniques used to derive Level 3 fair values

Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the illiquidity discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market.

Description	Fair value at 31 December 2016	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Fair value if unobservable inputs increased by 5%	Fair value if unobservable inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in African Finance Corporation	44,230,177	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	46,441,686	42,018,669	55,287,722	33,172,633	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in Unified Payment System	2,340,346	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	2,457,363	2,223,329	2,197,593	2,483,099	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CSCS	1,559,612	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	1,637,593	1,481,632	1,439,677	1,679,548	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in NIBSS	1,175,570	Adjusted fair value comparison approach	Weighted Price to earnings (P/E) ratio of similar comparable companies	1,234,349	1,116,792	1,048,217	1,302,924	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in Afrexim	10,754	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	11,291	10,216	10,574	10,933	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in FMDQ	130,610	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	137,141	124,080	118,482	142,739	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC	281,626	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	295,707	267,545	261,588	301,662	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Nigerian Mortgage Refinance Company	93,186	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	97,845	88,526	89,858	96,514	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value

## RECONCILIATION OF LEVEL 3 ITEMS

The following tables presents the changes in Level 3 instruments for the year 31 December 2016

<b>Equity Securities - Available for Sale</b>	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
Opening balance	37,159,966	35,523,466	35,516,671	34,035,133
Total unrealised gains or (losses) in OCI	15,449,958	1,528,754	15,449,958	1,373,792
Reclassification to profit or loss	(2,540,893)	107,746	(1,144,748)	107,746
<b>Balance, year end</b>	<b>50,069,031</b>	<b>37,159,966</b>	<b>49,821,881</b>	<b>35,516,671</b>

<b>Assets Held for Sale</b>	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
Opening balance	179,843	23,438,484	179,843	23,438,484
Cost of Asset Additions/ (Disposal)	(39,116)	(23,258,641)	(39,116)	(23,258,641)
<b>Balance, year end</b>	<b>140,727</b>	<b>179,843</b>	<b>140,727</b>	<b>179,843</b>

Varying valuation techniques were applied in the valuation of assets classified as Level 3

### Disclosure Requirements for Level 3 Financial Instruments

#### Valuation Technique Unquoted Equity:

The investment valuation policy (IVP) of the Group provides the framework for accounting for the Group's investment in unquoted equity securities, investment properties and assets held for sale while also providing a broad valuation guideline to be adopted in valuing them. Furthermore, the IVP details how the group decides its valuation policies and procedures and analysis changes in fair value measurements from year to year.

In accordance with IFRS 13 Fair Value Measurement, which outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial year using the Market approach.

The Adjusted fair value comparison approach of EV/EBITDA, P/E ratios and P/Bv ratios was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the availability of financial information while minimizing the use of unobservable data.

#### Description of Valuation Methodology and inputs:

The fair value of the other unquoted equity securities were derived using the Adjusted fair value comparison technique. Adjusted fair value comparison approach of EV/EBITDA, P/E ratios and P/B ratios are used as input data.

The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

- Step 1: Identify quoted companies with similar line of business, structure and size
- Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg, Reuters or Nigeria Stock Exchange
- Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies
- Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the EV/EBITDA or Book Value or Earnings of the investment company to get the value of the investment company



- Step 5: Discount the derived value of the investment company by Illiquidity discount of 25% and EPS Haircut Adjustment of 40% to obtain the Adjusted Equity Value Step
- 6: Multiply the Adjusted Equity value by the present exchange rate for foreign currency investment
- Step 7: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss.

**a. Enterprise Value (EV):**

Enterprise value measures the value of the ongoing operations of a company. It is calculated as the market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents of the company.

**b. Earnings Before Interest, Tax Depreciation and Tax (EBITDA):**

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA is one of the indicators of a company's financial performance and is used as a proxy for the earning potential of a business.

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

**c. Price to Book (P/B Ratio):**

The price-to-book ratio (P/B Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest company book value per share or by dividing the company's market capitalization by the company's total book value from its balance sheet.

**d. Price to Earning (P/E Ratio):**

The price-earnings ratio (P/E Ratio) values a company using the current share price relative to its per-share earnings.

The sources of the observable inputs used for comparable technique were gotten from Reuters, Bloomberg and the Nigeria Stock Exchange

**Valuation Assumptions:**

(i). Illiquidity discount of 25% are used to discount the value of the investment being that they are not tradable

(ii). EPS Hair cut "emerging market" discount of 40% to take care of inflation and exchange rate impact being that the comparable companies are in foreign countries

**Valuation Technique Asset Held for Sale:**

The Group policy on valuation of Asset Held for Sale is to appoint a professional valuer to value tangible asset held for sale. The professional expert used must be qualified and a member of the Nigeria Institute of Estate Surveyors and Valuers (NIESV) or International Institute of Valuers.

**Basis of valuation:**

The assets is being valued on a fair open market value approach. This implies that the value is based on the conservative estimates of the reasonable price that can be obtained if and when the subject asset is offered for sale under the present market conditions.

**Method of Valuation**

The comparative method of valuation in the valuation of the asset. This method involves the analysis of recent transaction in such asset within the same asset type and the size of the subject asset after due allowance have been made for peculiar attributes of the various asset concerned.

The key elements of the control framework for the valuation of financial instruments include model validation and independent price verification. These functions are carried out by an appropriately skilled Finance team, independent of the business area responsible for the products. The result of the valuation are reviewed quarterly by senior management.

**(iii) Assessment of impairment of goodwill on acquired subsidiaries**

Goodwill on acquired subsidiaries was tested for impairment using discounted cash flow valuation method. Projected cash flows were discounted to present value using a discount rate of 19.50% (Dec. 2015: 19.1%) and a cash flow growth rate of 9.6% (Dec. 2015: 7.96%) over a period of four years. The Group determined the appropriate discount rate at the end of the year. See note 29b for further details."

**(iv) Defined benefit plan**

The present value of the long term incentive plan depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of the year. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions. See note 37 for the sensitivity analysis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## 4.3 Financial assets and liabilities

## Fair value measurement

Accounting classification measurement basis and fair values

The table below sets out the classification of each class of financial assets and liabilities, and their fair values.

Group In thousands of Naira 31 December 2016	Trading	Derivatives held for trading	Held-to- maturity	Loans and receivables at amortized cost	Available- for-sale	Fair value through profit or loss	Financial Liabilities measured at amortized cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	-	713,889,105	-	-	-	713,889,105	714,858,231
Investment under management	-	-	-	-	-	14,871,247	-	14,871,247	14,871,247
Non pledged trading assets									
Treasury bills	34,381,635	-	-	-	-	-	-	34,381,635	34,381,635
Bonds	10,188,597	-	-	-	-	-	-	10,188,597	10,188,597
Equity	59,348	-	-	-	-	-	-	59,348	59,348
Derivative financial instruments	-	156,042,984	-	-	-	-	-	156,042,984	156,042,984
Loans and advances to banks	-	-	-	45,203,002	-	-	-	45,203,002	104,651,099
Loans and advances to customers	-	-	-	1,809,459,172	-	-	-	1,809,459,172	1,771,419,816
Pledged assets									
Treasury bills	105,841,302	-	-	-	82,398,218	-	-	188,239,520	188,239,520
Bonds	-	-	119,191,773	-	7,516,209	-	-	126,707,982	86,853,136
Investment securities									
- Available for sale	-	-	-	-	-	-	-	-	-
Treasury bills	-	-	-	-	69,346,601	-	-	69,346,601	69,346,601
Bonds	-	-	-	-	32,648,488	-	-	32,648,488	32,683,577
Equity	-	-	-	-	58,667,555	-	-	58,667,555	58,667,555
- Held to Maturity									
Treasury bills	-	-	27,350,114	-	-	-	-	27,350,114	27,347,558
Bonds	-	-	41,101,014	-	-	-	-	41,101,014	30,729,231
Other assets	-	-	-	41,796,068	-	-	-	41,796,068	41,796,068
	<b>150,470,882</b>	<b>156,042,984</b>	<b>187,642,901</b>	<b>2,610,347,347</b>	<b>250,577,071</b>	<b>14,871,247</b>	<b>-</b>	<b>3,369,952,432</b>	<b>3,342,136,203</b>
Deposits from financial institutions	-	-	-	-	-	-	167,356,583	167,356,583	167,356,583
Deposits from customers	-	-	-	-	-	-	2,089,197,286	2,089,197,286	2,101,625,991
Other liabilities	-	-	-	-	-	-	111,117,648	111,117,648	111,117,648
Derivative financial instruments	-	30,444,501	-	-	-	-	-	30,444,501	30,444,501
Debt securities issued	-	-	-	-	-	-	316,544,502	316,544,502	312,815,183
Interest bearing borrowings	-	-	-	-	-	-	299,543,707	299,543,707	303,178,641
	<b>-</b>	<b>30,444,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,983,759,726</b>	<b>3,014,204,227</b>	<b>3,026,538,547</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

Continued

<b>Group</b>	<b>Trading</b>	<b>Derivatives held for trading</b>	<b>Held-to-maturity</b>	<b>Loans and receivables at amortized cost</b>	<b>Available-for-sale</b>	<b>Fair value through profit or loss</b>	<b>Financial Liabilities measured at amortized cost</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<b>In thousands of Naira</b>									
<b>31 December 2015</b>									
Cash and balances with banks	-	-	-	478,409,336	-	-	-	478,409,336	478,409,336
Investment under management	-	-	918	-	-	10,402,690	-	10,403,608	10,406,579
Non pledged trading assets	-	-	-	-	-	-	-	-	-
Treasury bills	50,209,443	-	-	-	-	-	-	50,209,443	50,209,443
Bonds	2,025,000	-	-	-	-	-	-	2,025,000	2,025,000
Equity	63,979	-	-	-	-	-	-	63,979	63,979
Derivative financial instruments	-	77,905,020	-	-	-	-	-	77,905,020	77,905,020
Loans and advances to banks	-	-	-	42,733,910	-	-	-	42,733,910	43,117,434
Loans and advances to customers	-	-	-	1,365,830,831	-	-	-	1,365,830,831	1,364,822,146
Pledged assets	-	-	-	-	-	-	-	-	-
Treasury bills	-	-	3,250,773	-	103,684,044	-	-	106,934,817	106,934,817
Bonds	-	-	78,110,623	-	18,669,957	-	-	96,780,580	77,019,596
Investment securities	-	-	-	-	-	-	-	-	-
- Available for sale	-	-	-	-	-	-	-	-	-
Treasury bills	-	-	-	-	28,996,006	-	-	28,996,006	28,996,006
Bonds	-	-	-	-	61,204,214	-	-	61,204,214	61,204,214
Equity	-	-	-	-	44,592,330	-	-	44,592,330	44,592,330
- Held to Maturity	-	-	-	-	-	-	-	-	-
Treasury bills	-	-	7,687,281	-	-	-	-	7,687,281	7,665,767
Bonds	-	-	43,743,295	-	-	-	-	43,743,295	44,320,781
Other assets	-	-	-	72,160,739	-	-	-	72,160,739	72,160,739
	<b>52,298,422</b>	<b>77,905,020</b>	<b>132,792,890</b>	<b>1,959,134,816</b>	<b>257,146,551</b>	<b>10,402,690</b>	<b>-</b>	<b>2,489,680,389</b>	<b>2,469,853,187</b>
Deposits from financial institutions	-	-	-	-	-	-	72,914,421	72,914,421	72,910,858
Deposits from customers	-	-	-	-	-	-	1,683,244,320	1,683,244,320	1,682,766,276
Other liabilities	-	-	-	-	-	-	65,277,321	65,277,321	65,277,321
Derivative financial instruments	-	3,077,927	-	-	-	-	-	3,077,927	3,077,927
Debt securities issued	-	-	-	-	-	-	149,853,640	149,853,640	137,841,311
Interest bearing borrowings	-	-	-	-	-	-	231,467,161	231,467,161	236,648,640
	<b>-</b>	<b>3,077,927</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,202,756,863</b>	<b>2,205,834,790</b>	<b>2,198,522,333</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

Continued

170

<b>Bank</b>	<b>Trading</b>	<b>Derivatives held for trading</b>	<b>Held-to-maturity</b>	<b>Loans and receivables at amortized cost</b>	<b>Available-for-sale</b>	<b>Fair value through profit or loss</b>	<b>Financial Liabilities measured at amortized cost</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<i>In thousands of Naira</i>									
<b>31 December 2016</b>									
Cash and balances with banks	-	-	-	517,997,249	-	-	-	517,997,249	517,997,249
Investment under management	-	-	-	-	-	14,871,247	-	14,871,247	14,871,247
Non pledged trading assets									
Treasury bills	34,381,635	-	-	-	-	-	-	34,381,635	34,381,635
Bonds	10,188,597	-	-	-	-	-	-	10,188,597	10,188,597
Equity	59,348	-	-	-	-	-	-	59,348	59,348
Derivative financial instruments	-	155,772,662	-	-	-	-	-	155,772,662	155,772,662
Loans and advances to banks	-	-	-	104,006,574	-	-	-	104,006,574	104,651,099
Loans and advances to customers	-	-	-	1,594,562,345	-	-	-	1,594,562,345	1,584,350,701
Pledged assets									
Treasury bills	105,841,302	-	-	-	82,398,218	-	-	188,239,520	188,239,521
Bonds	-	-	119,191,773	-	7,516,209	-	-	126,707,982	86,853,136
Investment securities									
- Available for sale									
Treasury bills	-	-	-	-	40,960,665	-	-	40,960,665	40,960,665
Bonds	-	-	-	-	21,456,519	-	-	21,456,519	21,456,519
Equity	-	-	-	-	58,420,406	-	-	58,420,406	58,420,406
- Held to Maturity									
Treasury bills	-	-	-	-	-	-	-	-	-
Bonds	-	-	40,363,051	-	-	-	-	40,363,051	30,729,231
Other assets	-	-	-	33,265,072	-	-	-	33,265,072	33,265,072
	<b>150,470,882</b>	<b>155,772,662</b>	<b>159,554,824</b>	<b>2,249,831,241</b>	<b>210,752,017</b>	<b>14,871,247</b>	<b>-</b>	<b>2,941,252,872</b>	<b>2,882,197,087</b>
Deposits from financial institutions	-	-	-	-	-	-	95,122,188	95,122,188	95,107,837
Deposits from customers	-	-	-	-	-	-	1,813,042,872	1,813,042,872	1,825,471,578
Other liabilities	-	30,275,181	-	-	-	-	-	30,275,181	30,275,181
Derivative financial instruments	-	-	-	-	-	-	105,287,724	105,287,724	105,287,724
Debt securities issued	-	-	-	-	-	-	243,952,418	243,952,418	227,210,069
Interest bearing borrowings	-	-	-	-	-	-	372,179,785	372,179,785	376,074,510
	<b>-</b>	<b>30,275,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,629,584,987</b>	<b>2,659,860,168</b>	<b>2,659,426,899</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

Continued

<b>Bank</b>	<b>Trading</b>	<b>Derivatives held for trading</b>	<b>Held-to-maturity</b>	<b>Loans and receivables at amortized cost</b>	<b>Available-for-sale</b>	<b>Fair value through profit or loss</b>	<b>Financial Liabilities measured at amortized cost</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<i>In thousands of Naira</i>									
<b>31 December 2015</b>									
Cash and balances with banks	-	-	-	405,998,636	-	-	-	405,998,636	405,998,636
Investment under management	-	-	918	-	-	10,402,690	-	10,403,608	10,406,579
Non pledged trading assets	-	-	-	-	-	-	-	-	-
Treasury bills	50,209,443	-	-	-	-	-	-	50,209,443	50,209,443
Bonds	2,025,000	-	-	-	-	-	-	2,025,000	2,025,000
Equity	63,979	-	-	-	-	-	-	63,979	63,979
Derivative financial instruments	-	77,852,349	-	-	-	-	-	77,852,349	77,852,349
Loans and advances to banks	-	-	-	60,414,721	-	-	-	60,414,721	60,276,940
Loans and advances to customers	-	-	-	1,243,215,309	-	-	-	1,243,215,309	1,242,206,624
Pledged assets	-	-	-	-	-	-	-	-	-
Treasury bills	-	-	-	-	103,684,044	-	-	103,684,044	103,684,044
Bonds	-	-	78,110,623	-	18,669,957	-	-	96,780,580	77,243,142
Investment securities	-	-	-	-	-	-	-	-	-
- Available for sale	-	-	-	-	-	-	-	-	-
Treasury bills	-	-	-	-	10,436,981	-	-	10,436,981	10,436,981
Bonds	-	-	-	-	60,696,103	-	-	60,696,103	60,696,103
Equity	-	-	-	-	44,575,185	-	-	44,575,185	44,755,565
- Held to Maturity	-	-	-	-	-	-	-	-	-
Treasury bills	-	-	-	-	-	-	-	-	-
Bonds	-	-	40,286,529	-	-	-	-	40,286,529	38,700,193
Other assets	-	-	-	69,509,746	-	-	-	69,509,746	69,509,746
	<b>52,298,422</b>	<b>77,852,349</b>	<b>118,398,070</b>	<b>1,779,138,412</b>	<b>238,062,270</b>	<b>10,402,690</b>	<b>-</b>	<b>2,276,152,213</b>	<b>2,254,065,324</b>
Deposits from financial institutions	-	-	-	-	-	-	63,343,785	63,343,785	63,342,003
Deposits from customers	-	-	-	-	-	-	1,528,213,883	1,527,735,839	1,527,735,839
Other liabilities	-	-	-	-	-	-	-	2,416,378	2,416,378
Derivative financial instruments	-	2,416,378	-	-	-	-	-	2,416,378	2,416,378
Debt securities issued	-	-	-	-	-	-	62,871,485	62,871,485	62,871,485
Interest bearing borrowings	-	-	-	-	-	-	78,516,655	78,516,655	69,591,973
	<b>-</b>	<b>2,416,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,035,865,795</b>	<b>2,038,282,173</b>	<b>2,030,273,038</b>



#### **4.3 (b) Fair value of financial assets and liabilities not carried at fair value**

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

**(i) Cash**

The carrying amount of Cash and balances with banks is a reasonable approximation of fair value.

**(ii) Loans and advances to banks and customers**

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

**(iii) Investment securities, Pledged and Non-Pledged trading assets**

The fair value for investment securities is based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Investment securities (available for sale) disclosed in the table above comprise only those equity securities held at cost less impairment. The fair value for these assets is based on estimations using market prices and earning multiples of quoted securities with similar characteristics. All other available for sale assets are already measured and carried at fair value.

**(iv) Other assets**

The bulk of these financial assets have short maturities with their amounts of financial assets in is a reasonable approximation of fair value.

**(v) Deposits from banks and customers**

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

**(vi) Other liabilities**

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value. They comprise of short term liabilities which are available on demand to creditors with no contractual rates attached to them.

**(vii) Interest bearing borrowings**

The estimated fair value of fixed interest-bearing borrowings not quoted in an active market is based on the market rates for similar instruments for these debts over their remaining maturity.



## 5.1 Credit Risk Management

### 5.1.1 Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to financial assets are as follows:

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Cash and balances with banks				
- Current balances with banks outside Nigeria	115,380,195	85,299,149	106,594,205	57,546,509
- Unrestricted balances with central banks	139,954,922	90,721,388	33,160,736	74,158,434
- Restricted balances with central banks	250,831,529	249,954,817	248,547,664	248,182,477
- Money market placements	119,826,012	52,433,982	41,798,197	26,111,216
- Other deposits with central banks	87,896,447	-	87,896,447	-
Investment under management	14,871,247	10,403,608	14,871,247	10,403,608
Non pledged trading assets				
Treasury bills	34,381,635	50,209,443	34,381,635	50,209,443
Bonds	10,188,597	2,025,000	10,188,597	2,025,000
Derivative financial instruments	156,042,984	77,905,020	155,772,662	77,852,349
Loans and advances to banks	45,203,002	42,733,910	104,006,574	60,414,721
Loans and advances to customers	1,809,459,172	1,365,830,831	1,594,562,345	1,243,215,309
Pledged assets				
Treasury bills	188,239,520	106,934,817	188,239,520	103,684,044
Bonds	126,707,982	96,780,580	126,707,982	96,780,580
Investment securities				
Available for sale				
Treasury bills	69,346,601	28,996,006	40,960,665	10,436,981
Bonds	32,891,849	61,204,214	21,699,880	60,696,103
Held to Maturity				
Treasury bills	27,350,114	7,687,281	-	-
Bonds	41,101,014	43,743,295	40,363,050	40,286,529
Other assets	41,796,068	72,160,739	33,265,072	69,509,746
<b>Total</b>	<b>3,311,468,889</b>	<b>2,445,024,080</b>	<b>2,910,016,479</b>	<b>2,231,513,049</b>
<b>Off balance sheet exposures</b>				
Transaction related bonds and guarantees	186,251,718	221,127,530	136,163,848	218,067,025
Guaranteed facilities	99,582,709	94,135,927	85,513,821	91,640,933
Clean line facilities for letters of credit and other commitments	261,208,243	188,826,683	158,994,793	160,094,292
Future, swap and forward contracts	933,073,893	468,759,809	900,436,358	440,800,900
<b>Total</b>	<b>1,480,116,563</b>	<b>972,849,949</b>	<b>1,281,108,820</b>	<b>910,603,150</b>

5.1.2 Gross loans and advances to customers per sector is as analysed follows:

	<b>Group</b>	<b>Group</b>	<b>Bank</b>	<b>Bank</b>
	<b>December 2016</b>	<b>December 2015</b>	<b>December 2016</b>	<b>December 2015</b>
In thousands of Naira				
Agriculture	22,746,128	19,176,019	16,358,431	15,937,248
Construction	136,719,717	87,879,130	107,339,808	76,829,699
Education	2,866,466	2,113,599	1,411,646	2,016,754
Finance and insurance	24,432,492	21,037,838	21,309,881	18,642,306
General	65,759,892	53,774,970	58,753,541	52,277,961
General commerce	192,758,058	159,870,596	139,729,100	133,869,178
Government	265,754,095	169,073,246	265,300,462	168,626,536
Information And communication	118,887,314	121,177,114	114,360,925	118,922,511
Other Manufacturing (Industries)	98,361,843	72,850,211	77,233,498	57,301,618
Basic Metal Products	2,978,984	2,682,493	2,978,984	2,682,493
Cement	26,141,390	26,147,216	26,141,390	26,147,216
Conglomerate	31,074,505	14,766,577	31,074,505	14,766,577
Steel Rolling Mills	65,431,551	53,920,584	65,431,551	53,920,584
Flourmills And Bakeries	5,045,937	13,642	5,045,937	13,642
Food Manufacturing	29,921,021	15,094,847	22,140,950	14,642,665
Oil And Gas - Downstream	155,875,311	137,651,684	130,605,016	115,343,768
Oil And Gas - Services	204,208,802	117,106,760	201,268,821	115,659,696
Oil And Gas - Upstream	105,211,512	61,020,646	105,211,512	61,020,646
Crude oil refining	33,386,262	28,860,271	33,386,262	28,860,271
Real estate activities	134,617,760	104,749,765	128,653,753	100,157,931
Transportation and storage	64,919,122	74,287,655	52,966,761	70,899,610
Power and energy	21,406,071	15,955,628	9,465,028	8,099,644
Professional, scientific and technical activities	3,229,824	7,474,460	1,913,153	6,727,525
Others	33,431,407	27,836,688	6,756,944	6,755,313
	<b>1,845,165,465</b>	<b>1,394,521,639</b>	<b>1,624,837,859</b>	<b>1,270,121,392</b>

**5.1.3(a) Group**

**Credit quality by class**

In thousands of Naira

	Loans and advances to individuals		Loans and advances Corporates		Loans and advances to banks		Off balance sheet	
	December 2016	December 2015	December 2016	December 2015	December 2016	December 2015	December 2016	December 2015
Carrying amount	60,772,693	52,778,621	1,748,686,478	1,313,052,208	45,203,003	42,733,910	1,480,116,562	972,849,949
<b>Neither past due nor impaired</b>								
Grade 1 :	-	-	140,577,674	164,056,674	44,515,864	42,099,530	697,527,499	471,082,538
Grade 2:	-	-	620,986,103	527,102,950	-	-	254,394,923	232,900,691
Grade 3:	58,049,748	51,287,214	883,334,381	594,623,897	648,871	631,423	525,564,741	268,407,881
Grade 4:	1,630,027	15,970	85,410,961	19,720,718	-	-	2,629,399	229,419
Grade 5:	-	98,939	3,335,377	1,655,959	-	-	-	-
<b>Gross amount</b>	59,679,775	51,402,123	1,733,644,496	1,307,160,198	45,164,735	42,730,753	1,480,116,562	972,620,529
Impairment	(616,914)	(465,739)	(19,158,011)	(15,241,871)	(9,006)	-	-	-
<b>Carrying amount</b>	59,062,861	50,936,384	1,714,486,485	1,291,918,327	45,155,729	42,730,753	1,480,116,562	972,620,529
<b>Past due but not impaired:</b>								
Grade 6:	658,807	182,541	4,099,130	351,679	-	-	-	-
Grade 7:	852,431	953,436	1,067,363	1,033,145	61,654	12,043	-	-
Grade 8:	690,396	1,050,093	5,034,436	7,971,888	-	-	-	-
<b>Gross amount</b>	2,201,634	2,186,069	10,200,929	9,356,712	61,654	12,043	-	-
Impairment	(557,599)	(475,439)	(618,041)	(2,025,081)	(14,380)	(9,086)	-	-
<b>Carrying amount</b>	1,644,035	1,710,630	9,582,888	7,331,631	47,274	2,957	-	-
<b>Past due and impaired:</b>								
Grade 6: Impaired	405,200	203,207	5,727,631	4,991,809	-	-	-	-
Grade 7: Impaired	23,012	18,240	5,845,857	5,091,934	-	-	-	-
Grade 8: Impaired	193,016	160,784	27,243,913	13,950,562	-	-	-	-
<b>Gross amount</b>	621,229	382,231	38,817,401	24,034,305	-	-	-	-
Allowance for impairment	(555,430)	(250,624)	(14,200,296)	(10,232,054)	-	-	-	-
<b>Carrying amount</b>	65,798	131,607	24,617,105	13,802,251	-	-	-	-



**CREDIT QUALITY**  
 Continued

Bank Credit quality by class In thousands of Naira	Loans and advances to individuals		Loans and advances Corporates		Loans and advances to banks		Off balance sheet	
	December 2016	December 2015	December 2016	December 2015	December 2016	December 2015	December 2016	December 2015
Carrying amount	34,945,193	34,661,649	1,559,617,152	1,208,553,661	104,006,574	60,414,721	1,281,108,820	910,603,150
<b>Neither past due nor impaired</b>								
Grade 1 :	-	-	138,494,537	163,854,025	103,319,435	59,780,341	697,527,499	458,679,063
Grade 2:	-	-	612,599,057	527,102,950	-	-	254,394,923	220,497,215
Grade 3:	34,386,962	33,175,710	747,567,989	492,957,434	648,871	631,423	326,556,998	231,197,453
Grade 4:	-	15,970	53,294,762	19,720,718	-	-	2,629,400	229,419
Grade 5:	-	98,939	3,355,377	1,655,959	-	-	-	-
<b>Gross amount</b>	34,386,962	33,290,619	1,555,291,722	1,205,291,086	103,968,306	60,411,764	1,281,108,820	910,603,150
Impairment	(578,908)	(386,193)	(18,737,558)	(14,429,082)	(9,006)	-	-	-
<b>Carrying amount</b>	33,808,054	32,904,426	1,536,554,164	1,190,862,004	103,959,300	60,411,764	1,281,108,820	910,603,150
<b>Past due but not impaired:</b>								
Grade 6:	137,463	182,541	727,602	351,679	-	-	-	-
Grade 7:	833,271	953,436	757,098	1,033,145	61,654	12,043	-	-
Grade 8:	627,308	1,050,093	529,504	7,971,888	-	-	-	-
<b>Gross amount</b>	1,598,042	2,186,070	2,014,204	9,356,712	61,654	12,043	-	-
Impairment	(460,904)	(475,439)	(413,828)	(2,025,081)	(14,380)	(9,086)	-	-
<b>Carrying amount</b>	1,137,139	1,710,631	1,600,376	7,331,631	47,274	2,957	-	-
<b>Past due and impaired:</b>								
Grade 6: Impaired	405,200	154,959	5,684,031	4,927,701	-	-	-	-
Grade 7: Impaired	-	-	3,582,551	4,559,254	-	-	-	-
Grade 8: Impaired	-	142,257	21,875,146	10,212,735	-	-	-	-
<b>Gross amount</b>	405,200	297,216	31,141,728	19,699,690	-	-	-	-
Allowance for impairment	(405,200)	(250,624)	(9,679,116)	(9,339,664)	-	-	-	-
<b>Carrying amount</b>	-	46,592	21,462,612	10,360,026	-	-	-	-



### 5.1.3 Credit Quality

Continued

	Group			Bank		
	Loans to individuals	Loans to Corporates and Banks	Other assets	Loans to individuals	Loans to Corporates and Banks	Other assets
<b>(b) Aging analysis of credit quality</b>						
<b>31 December 2016</b>						
<b>Past due &amp; not impaired</b>						
Past due up to 30days	658,807	4,099,130	33,760	137,463	727,602	33,760
Past due up 30 - 60 days	852,431	1,067,363	3,504	833,271	757,098	3,504
Past due up 60 - 90 days	690,396	5,034,436	34,830	627,308	529,504	34,830
<b>Total</b>	<b>2,201,634</b>	<b>10,200,929</b>	<b>72,094</b>	<b>1,598,042</b>	<b>2,014,204</b>	<b>72,094</b>
<b>Past due &amp; impaired</b>						
Past due up to 91 - 180days	405,200	5,727,631	170,490	405,200	5,684,031	170,490
Past due up 180 - 360 days	23,012	5,845,857	2,151,168	-	3,582,551	2,151,168
Above 360days	193,016	27,243,913	646,200	-	21,875,146	646,200
<b>Total</b>	<b>621,229</b>	<b>38,817,401</b>	<b>2,967,858</b>	<b>405,200</b>	<b>31,141,728</b>	<b>2,967,858</b>
<b>31 December 2015</b>						
<b>Past due &amp; not impaired</b>						
Past due up to 30days	182,541	351,679	2,994	182,542	351,680	2,994
Past due up 30 - 60 days	953,436	1,045,188	2,652	953,436	1,045,188	2,652
Past due up 60 - 90 days	1,050,093	7,971,845	5,538,743	1,050,092	7,959,845	5,538,743
<b>Total</b>	<b>2,186,070</b>	<b>9,368,712</b>	<b>5,544,389</b>	<b>2,186,070</b>	<b>9,356,713</b>	<b>5,544,389</b>
<b>Past due &amp; impaired</b>						
Past due up to 91 - 180days	203,207	4,991,809	39,108	154,959	4,927,701	39,108
Past due up 180 - 360 days	18,240	5,091,934	224,890	-	4,559,254	224,890
Above 360days	160,784	13,950,562	2,396,579	142,257	10,212,735	2,396,579
<b>Total</b>	<b>382,231</b>	<b>24,034,305</b>	<b>2,660,577</b>	<b>297,216</b>	<b>19,699,690</b>	<b>2,660,577</b>



## CREDIT QUALITY

### Credit quality by risk rating class

Bank	Loans and advances to individuals	Risk Rating	Loans and advances to individuals		Loans and advances to Corporates		Loans and advances to bank	
			December 2016	December 2015	December 2016	December 2015	December 2016	December 2015
<b>External Rating Equivalent</b>	<b>Grade</b>	<b>Risk Rating</b>	<b>December 2016</b>	<b>December 2015</b>	<b>December 2016</b>	<b>December 2015</b>	<b>December 2016</b>	<b>December 2015</b>
AAA	Investment	1	-	-	138,494,537	163,854,025	103,319,435	59,780,341
AA	Investment	2+	-	-	171,528,084	126,296,312	-	-
A	Investment	2	-	-	190,643,315	161,182,597	-	-
BBB	Investment	2-	-	-	250,427,658	239,624,041	-	-
BB+	Standard	3+	698,134	1,168,452	236,768,708	104,007,186	-	-
BB	Standard	3	33,111,826	31,339,177	428,534,577	327,464,392	648,871	631,423
BB-	Standard	3-	577,003	668,080	82,264,705	61,485,857	-	-
B	Non-Investment	4	-	15,970	53,294,762	19,720,718	-	-
B-	Non-Investment	5	-	98,939	3,335,377	1,655,959	-	-
CCC	Non-Investment	6	542,663	337,501	6,411,633	5,279,380	-	-
C	Non-Investment	7	833,271	953,436	4,339,649	5,592,399	61,654	12,043
D	Non-Investment	8	627,308	1,192,350	22,404,651	18,184,623	-	-
<b>Gross amount</b>			<b>36,390,205</b>	<b>35,773,905</b>	<b>1,588,447,654</b>	<b>1,234,347,487</b>	<b>104,029,960</b>	<b>60,423,807</b>
Collective Impairment			(1,039,812)	(861,632)	(19,151,386)	(16,871,228)	(23,386)	(9,086)
Specific Impairment			(405,200)	(250,624)	(9,679,116)	(8,922,599)	-	-
<b>Carrying amount</b>			<b>34,945,193</b>	<b>34,661,649</b>	<b>1,559,617,153</b>	<b>1,208,553,660</b>	<b>104,006,574</b>	<b>60,414,721</b>

External Rating Equivalent	Grade	Risk Rating	Gross Nominal		Derivative Financial Instruments		Fair Value	
			December 2016	December 2015	December 2016	December 2015	December 2016	December 2015
AAA-A	Investment	1	499,960,107	296,865,582	130,383,150	74,516,216		
A	Investment	2	28,635,979	25,178,482	3,668,990	1,523,619		
AA	Investment	2+	9,728,383	18,599,431	1,253,384	1,812,514		
BBB	Investment	2-	160,447,229	-	20,467,138	-		
<b>Gross amount</b>			<b>698,771,698</b>	<b>340,643,495</b>	<b>155,772,662</b>	<b>77,852,349</b>		
Collective Impairment			-	-	-	-		
Specific Impairment			-	-	-	-		
<b>Carrying amount</b>			<b>900,436,358</b>	<b>340,643,495</b>	<b>155,772,662</b>	<b>77,852,349</b>		

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired



**5.1.3 The table below summarises the risk rating for other financial asset:**

**(d)**

**Group**

In thousands of Naira

<b>31 December 2016</b>	<b>Total</b>	<b>Grade 1-3</b>	<b>Grade 4-5</b>	<b>Grade 6</b>	<b>Grade 7</b>	<b>Grade 8</b>
Cash and balances with banks						
Cash on hand and balances with banks	115,380,195	115,380,195	-	-	-	-
Restricted deposits with central banks	250,831,529	250,831,529	-	-	-	-
Unrestricted balances with central banks	139,954,922	139,954,922	-	-	-	-
Money market placements	119,826,012	119,826,012	-	-	-	-
Investment under management	14,871,247	14,871,247	-	-	-	-
Non-pledged trading assets						
Treasury bills	34,381,635	34,381,635	-	-	-	-
Bonds	10,188,597	10,180,206	8,391	-	-	-
Equity	59,348	59,348	-	-	-	-
Derivative financial instruments	156,042,984	156,042,984	-	-	-	-
Pledged assets						
Treasury bills	188,239,520	188,239,520	-	-	-	-
Bonds	126,707,982	126,707,982	-	-	-	-
Investment securities						
- Available for sale						
Treasury bills	69,346,601	69,346,601	-	-	-	-
Bonds	32,891,849	32,891,849	-	-	-	-
Equity	3,145,697	3,145,697	-	-	-	-
- Held to Maturity						
Treasury bills	27,350,114	27,350,114	-	-	-	-
Bonds	41,101,014	41,101,014	-	-	-	-
Other assets	41,796,068	41,796,068	-	-	-	-
	<b>1,372,115,314</b>	<b>1,372,106,924</b>	<b>8,391</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Group**

In thousands of Naira

<b>31 December 2015</b>	<b>Total</b>	<b>Grade 1-3</b>	<b>Grade 4-5</b>	<b>Grade 6</b>	<b>Grade 7</b>	<b>Grade 8</b>
Cash and balances with banks						
Cash on hand and balances with banks	85,299,149	85,299,149	-	-	-	-
Restricted deposits with central banks	249,954,817	249,954,817	-	-	-	-
Unrestricted balances with central banks	90,721,388	90,721,388	-	-	-	-
Money market placements	52,433,982	52,433,982	-	-	-	-
Investment under management	10,403,608	10,403,608	-	-	-	-
Non-pledged trading assets						
Treasury bills	50,209,443	50,209,443	-	-	-	-
Bonds	2,025,000	2,025,000	-	-	-	-
Equity	63,979	63,979	-	-	-	-
Derivative financial instruments	77,905,020	77,905,020	-	-	-	-
Pledged assets						
Treasury bills	106,934,817	106,934,817	-	-	-	-
Bonds	96,780,580	96,780,580	-	-	-	-
Investment securities						
- Available for sale						
Treasury bills	28,996,006	28,996,006	-	-	-	-
Bonds	61,204,214	61,204,214	-	-	-	-
Equity	44,772,710	44,772,710	-	-	-	-
- Held to Maturity						
Treasury bills	7,687,281	7,687,281	-	-	-	-
Bonds	43,743,295	43,743,295	-	-	-	-
Other assets	72,160,739	72,160,739	-	-	-	-
	<b>1,081,296,028</b>	<b>1,081,296,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



### 5.1.3 The table below summarises the risk rating for other financial assets:

#### Bank

In thousands of Naira

<b>31 December 2016</b>	<b>Total</b>	<b>Grade 1-3</b>	<b>Grade 4-5</b>	<b>Grade 6</b>	<b>Grade 7</b>	<b>Grade 8</b>
Cash and balances with banks						
Cash on hand and balances with banks	106,594,205	106,594,205	-	-	-	-
Restricted deposits with central banks	336,444,111	336,444,111	-	-	-	-
Unrestricted balances with central banks	33,160,736	33,160,736	-	-	-	-
Money market placements	41,798,197	41,798,197	-	-	-	-
Investment under management	14,871,247	14,871,247	-	-	-	-
Non-pledged trading assets						
Treasury bills	34,381,635	34,381,635	-	-	-	-
Bonds	10,188,597	10,180,206	8,391	-	-	-
Equity	59,348	59,348	-	-	-	-
Derivative financial instruments	155,772,662	155,772,662	-	-	-	-
Pledged assets						
Treasury bills	188,239,520	188,239,520	-	-	-	-
Bonds	126,707,982	126,707,982	-	-	-	-
Investment securities						
- Available for sale						
Treasury bills	40,960,665	40,960,665	-	-	-	-
Bonds	21,456,519	21,456,519	-	-	-	-
Equity	-	-	-	-	-	-
- Held to Maturity						
Treasury bills	-	-	-	-	-	-
Bonds	40,363,051	40,363,051	-	-	-	-
Other assets	33,265,072	33,265,072	-	-	-	-
	<b>1,184,263,547</b>	<b>1,184,255,156</b>	<b>8,391</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Bank

In thousands of Naira

<b>31 December 2015</b>	<b>Total</b>	<b>Grade 1-3</b>	<b>Grade 4-5</b>	<b>Grade 6</b>	<b>Grade 7</b>	<b>Grade 8</b>
Cash and balances with banks						
Cash on hand and balances with banks	57,546,509	57,546,509	-	-	-	-
Restricted deposits with central banks	248,182,477	248,182,477	-	-	-	-
Unrestricted balances with central banks	74,158,434	74,158,434	-	-	-	-
Money market placements	26,111,216	26,111,216	-	-	-	-
Investment under management	10,403,608	10,403,608	-	-	-	-
Non-pledged trading assets						
Treasury bills	50,209,443	50,209,443	-	-	-	-
Bonds	2,025,000	2,025,000	-	-	-	-
Equity	63,979	63,979	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Pledged assets						
Treasury bills	103,684,044	103,684,044	-	-	-	-
Bonds	96,780,580	96,780,580	-	-	-	-
Investment securities						
- Available for sale						
Treasury bills	10,436,981	10,436,981	-	-	-	-
Bonds	60,696,103	60,696,103	-	-	-	-
Equity	44,755,565	44,755,565	-	-	-	-
- Held to Maturity						
Treasury bills	-	-	-	-	-	-
Bonds	40,286,529	40,286,529	-	-	-	-
Other assets	69,509,746	69,509,746	-	-	-	-
	<b>894,850,214</b>	<b>894,850,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 5.1.3 CREDIT QUALITY

#### (e) Credit quality by credit risk rating model

Group	Loans and advances to individuals		Loans and advances to Corporates		Loans and advances to banks	
	December 2016	December 2015	December 2016	December 2015	December 2016	December 2015
<b>Risk Rating (ORR) Model</b>						
In thousands of Naira						
Auto Loan	2,511,013	2,175,207	2,003,352	3,406,742	-	9,429
Credit Card	3,475,443	2,608,764	576,553	274,133	13,599	286
Finance Lease	60,912	-	3,946,347	1,821,023	8,455	-
Mortgage Loan	24,375,564	17,954,585	5,929,037	6,208,567	-	-
Overdraft	5,639,049	5,261,080	181,242,213	208,224,839	647,541	551,077
Personal Loan	18,754,870	20,393,835	-	-	-	-
Term Loan	6,964,075	4,777,259	1,102,912,471	785,718,903	40,930	82,675
Time Loan	721,711	799,692	486,052,855	334,897,007	44,515,863	42,095,369
<b>Gross amount</b>	62,502,636	53,970,424	1,782,662,828	1,340,551,214	45,226,388	42,738,836
Collective Impairment	(1,174,513)	(941,178)	(19,776,052)	(17,266,951)	(23,386)	(9,086)
Specific Impairment	(555,430)	(250,624)	(14,200,296)	(10,232,054)	-	-
<b>Carrying amount</b>	60,772,693	52,778,622	1,748,686,480	1,313,052,209	45,203,002	42,729,751
<b>Bank</b>						
In thousands of Naira						
<b>Risk Rating (ORR) Model</b>						
Auto Loan	2,426,024	1,976,020	2,003,352	3,378,173	-	9,429
Credit Card	3,431,359	2,579,265	563,357	264,755	13,599	286
Finance Lease	60,912	-	3,946,347	1,821,023	8,455	-
Mortgage Loan	5,053,845	4,383,538	18,437	74,260	-	-
Overdraft	5,033,990	5,054,135	135,065,623	188,628,138	647,541	551,077
Personal Loan	17,369,909	18,073,801	-	-	-	-
Term Loan	2,427,653	3,066,500	1,032,873,587	753,319,156	40,930	82,675
Time Loan	586,532	640,645	413,976,952	286,861,982	103,319,455	59,780,341
<b>Gross amount</b>	36,390,205	35,773,905	1,588,447,654	1,234,347,487	104,029,960	60,423,808
Collective Impairment	(1,039,812)	(861,632)	(19,151,386)	(16,871,228)	(23,386)	(9,086)
Specific Impairment	(405,200)	(250,624)	(9,679,116)	(8,922,599)	-	-
<b>Carrying amount</b>	34,945,193	34,661,650	1,559,617,153	1,208,553,660	104,006,574	60,414,722



### 5.1.3 Disclosure of Collateral held against loans and advances to customers by fair value hierarchy

(g)

#### Group

In thousands of Naira

	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	December 2016			December 2015		
Against neither past due and not impaired						
Property	-	-	914,144,760	-	-	422,253,462
Equities	57,865,380	15,916,553	-	21,231,049	22,106,323	-
Cash	171,417,199	-	-	70,869,009	-	-
Pledged goods/receivables	-	-	141,014,518	-	-	-
Others	-	-	846,303,836	-	-	360,496,371
<b>Total</b>	<b>229,282,579</b>	<b>15,916,553</b>	<b>1,901,463,114</b>	<b>92,100,058</b>	<b>22,106,323</b>	<b>782,749,833</b>
Against past due but not impaired:						
Property	-	-	4,985,770	-	-	15,638,209
Equities	-	-	-	86,000	-	-
Cash	-	-	-	-	-	-
Pledged goods/receivables	-	-	-	-	-	-
Others	-	-	32,241	-	-	103,477
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,018,011</b>	<b>86,000</b>	<b>-</b>	<b>15,741,686</b>
Against past due and impaired						
Property	-	-	29,237,351	-	-	8,202,229
Equities	24,909	-	-	170,081	-	-
Cash	1,178,130	-	-	-	-	-
Pledged goods/receivables	-	-	-	-	-	-
Others	-	-	19,054,851	-	-	-
<b>Total</b>	<b>1,203,039</b>	<b>-</b>	<b>48,292,202</b>	<b>170,081</b>	<b>-</b>	<b>8,202,229</b>
<b>Total</b>	<b>230,485,618</b>	<b>15,916,553</b>	<b>1,954,773,327</b>	<b>92,356,139</b>	<b>22,106,323</b>	<b>806,693,748</b>
Bank						
In thousands of Naira	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	December 2016			December 2015		
Against neither past due and not impaired						
Property	-	-	777,026,304	-	-	366,344,483
Equities	35,795,940	15,916,553	-	5,244,374	22,106,323	-
Cash	153,127,205	-	-	65,062,698	-	-
Pledged goods/receivables	-	-	141,014,518	-	-	-
Others	-	-	745,839,135	-	-	319,328,348
<b>Total</b>	<b>188,923,145</b>	<b>15,916,553</b>	<b>1,663,879,957</b>	<b>70,307,072</b>	<b>22,106,323</b>	<b>685,672,831</b>
Against past due but not impaired:						
Property	-	-	1,272,479	-	-	15,398,480
Equities	-	-	-	-	-	-
Cash	-	-	-	-	-	-
Pledged goods/receivables	-	-	-	-	-	-
Others	-	-	32,241	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,304,720</b>	<b>-</b>	<b>-</b>	<b>15,398,480</b>
Against past due and impaired						
Property	-	-	19,975,994	-	-	4,319,362
Equities	24,909	-	-	65,138	-	-
Cash	-	-	-	-	-	-
Pledged goods/receivables	-	-	-	-	-	-
Others	-	-	18,115,344	-	-	5,552,733
<b>Total</b>	<b>24,909</b>	<b>-</b>	<b>38,091,338</b>	<b>65,138</b>	<b>-</b>	<b>9,872,095</b>
<b>Total</b>	<b>188,948,054</b>	<b>15,916,553</b>	<b>1,703,276,015</b>	<b>70,372,210</b>	<b>22,106,323</b>	<b>710,943,406</b>

There are no collaterals held against other financial assets. There were also no repossessed collateral during the year

#### Collateral held and other credit enhancements, and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. The bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Group's focus on credit worthiness, the group aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers. For impaired loans, the Group obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the bank. The valuation technique adopted for properties are based on fair values of similar properties in the neighbourhood.

The fair values of non-property collaterals (such as equities, bond, treasury bills, etc.) are determined with reference to market quoted prices or market values of similar instruments."

#### 5.1.4 Offsetting financial assets and financial liabilities

##### As at 31 December 2016

In thousands of Naira

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position"
The following financial assets are subject to offsetting			
<b>Financial assets</b>			
Loans and advances to banks	45,954,156	751,154	45,203,002
<b>Total</b>	<b>45,954,156</b>	<b>751,154</b>	<b>45,203,002</b>

##### As at 31 December 2016

#### Financial liabilities

Interest bearing borrowing	300,294,861	751,154	299,543,707
<b>Total</b>	<b>300,294,861</b>	<b>751,154</b>	<b>299,543,707</b>

##### As at 31 December 2015

In thousands of Naira

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position"
The following financial assets are subject to offsetting			
<b>Financial assets</b>			
Loans and advances to banks	43,224,746	490,836	42,733,910
<b>Total</b>	<b>43,224,746</b>	<b>490,836</b>	<b>42,733,910</b>

##### As at 31 December 2015

#### Financial liabilities

Interest bearing borrowing	231,957,997	490,836	231,467,161
<b>Total</b>	<b>231,957,997</b>	<b>490,836</b>	<b>231,467,161</b>

An obligation exists between the Bank and Access Finance B.V., for which Access Finance B.V. was expected to lend the Bank the sum of USD 2,462,000 as a share premium loan. The loan agreement between both parties however permits that the obligation of Access Finance B.V. to grant the loan, be set off against the obligation of the Bank to repay the loan such that each party's obligation either as a borrower or lender is discharged. In view of this, no loan payable has been recognized in the Bank's financial statements.

In line IAS 32 the group currently has the legally enforceable right to set-off the recognised amount and it also intends to settle the borrowing on a net basis.

The gross amounts of financial assets and financial liabilities disclosed in the above tables have been measured in the statement of financial position on the following bases:

- (1) Loans and advances to customers – amortised cost; and
- (2) Interest bearing borrowings – amortised cost.



### 5.1.5 (a) CREDIT CONCENTRATION

The Groups risk profile is assessed through a 'bottom-up' analytical approach covering all of the Group's major businesses and products. The risk appetite is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix.

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of net credit risk at the reporting date is shown below:

#### Group

#### By Sector

December 2016

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	663,403,259	-	-	-	663,403,259
Investment under management	10,913,760	-	1,070,385	-	2,887,102	-	14,871,247
Non pledged trading assets							
Treasury bills	-	-	-	-	34,381,635	-	34,381,635
Bonds	-	9,913	8,391	-	10,170,293	-	10,188,597
Derivative financial instruments	28,003,737	-	5,360,808	-	122,678,439	-	156,042,984
Loans and advances to banks	-	-	45,203,002	-	-	-	45,203,002
Loans and advances to customers							-
Auto Loan	-	-	-	4,450,747	-	-	4,450,748
Credit Card	27,496	12,500	-	3,939,240	-	-	3,979,235
Finance Lease	2,404,390	1,259,848	-	312,384	11,275	-	3,987,898
Mortgage Loan	5,323,073	416,377	-	24,431,400	49,707	-	30,220,557
Overdraft	47,606,024	120,886,294	-	6,758,959	38,428	-	175,289,705
Personal Loan	-	-	-	18,072,072	-	-	18,072,072
Term Loan	418,496,135	396,250,334	-	8,006,467	265,966,313	-	1,088,719,249
Time Loan	236,078,483	246,004,748	-	2,380,302	276,175	-	484,739,708
Pledged assets							
Treasury bills	-	-	-	-	188,239,520	-	188,239,521
Bonds	-	-	-	-	126,707,982	-	126,707,982
Investment securities							
Available for sale							
Treasury bills	-	-	-	-	69,346,601	-	69,346,601
Bonds	377,207	-	5,814,936	-	26,699,706	-	32,891,849
Held to Maturity							
Treasury bills	-	-	-	-	27,350,114	-	27,350,114
Bonds	3,036,929	-	1,032,857	-	37,031,227	-	41,101,014
Other assets	19,111,634	3,898,137	5,066,892	4,063,320	-	4,725,841	41,796,070
<b>Total</b>	<b>771,378,868</b>	<b>768,738,151</b>	<b>726,960,530</b>	<b>72,414,891</b>	<b>916,764,763</b>	<b>4,725,841</b>	<b>3,260,983,044</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	136,220,145	48,419,939	1,611,634	-	-	-	186,251,718
Guaranteed facilities	85,363,987	14,068,722	150,000	-	-	-	99,582,709
Clean line facilities for letters of credit and other commitments	140,720,906	17,865,294	69,563,933	2,771,057	30,287,053	-	261,208,243
Future, swap and forward contracts	314,341,917	-	185,130,561	-	433,601,415	-	933,073,893
<b>Total</b>	<b>676,646,955</b>	<b>80,353,955</b>	<b>256,456,128</b>	<b>2,771,057</b>	<b>463,888,468</b>		<b>1,480,116,563</b>

## CREDIT CONCENTRATION

Continued

### Group By Sector

#### December 2015

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	442,533,996	-	-	-	442,533,996
Investment under management	2,385,288	-	4,927,888	-	3,090,432	-	10,403,608
Non pledged trading assets							
Treasury bills	-	-	-	-	50,209,443	-	50,209,443
Bonds	-	-	63,645	-	1,961,355	-	2,025,000
Derivative financial instruments	3,495,428	-	904,524	-	73,505,068	-	77,905,020
Loans and advances to banks	-	-	42,733,910	-	-	-	42,733,910
Loans and advances to customers							
Auto Loan	193,144	3,155,221	-	2,149,761	20,922	-	5,519,048
Credit Card	6,564	264,721	-	2,580,135	-	-	2,851,420
Finance Lease	983,460	829,448	-	-	-	-	1,812,908
Mortgage Loan	4,266,174	1,895,685	-	17,903,280	-	-	24,065,139
Overdraft	74,793,376	117,756,480	-	4,466,895	1,302,179	-	198,318,930
Personal Loan	-	-	-	20,183,608	-	-	20,183,608
Term Loan	332,372,252	277,769,051	-	4,702,425	164,362,411	-	779,206,139
Time Loan	165,686,382	164,171,032	-	792,518	3,223,708	-	333,873,640
Pledged assets							
Treasury bills	-	-	-	-	106,934,817	-	106,934,817
Bonds	-	-	-	-	96,780,580	-	96,780,580
Investment securities							
Available for sale							
Treasury bills	-	-	-	-	28,996,006	-	28,996,006
Bonds	-	-	6,524,859	-	54,679,355	-	61,204,214
Held to Maturity							
Treasury bills	-	-	-	-	7,687,281	-	7,687,281
Bonds	3,580,595	-	1,649,782	-	38,512,918	-	43,743,295
Other assets	15,529,608	798,290	2,116,791	5,340,515	17,564,186	30,811,349	72,160,739
<b>Total</b>	<b>603,292,272</b>	<b>566,639,929</b>	<b>501,455,395</b>	<b>58,119,136</b>	<b>648,830,659</b>	<b>30,811,349</b>	<b>2,409,148,739</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	40,597,349	180,530,181	-	-	-	-	221,127,530
Guaranteed facilities	12,764,903	78,944,392	-	23,484	2,403,148	-	94,135,927
Clean line facilities for letters of credit and other commitments	55,947,878	132,878,805	-	-	-	-	188,826,683
Future, swap and forward contracts	45,889,610	-	133,885,199	-	288,985,000	-	468,759,809
<b>Total</b>	<b>155,199,739</b>	<b>392,353,378</b>	<b>133,885,199</b>	<b>23,484</b>	<b>291,388,148</b>	<b>-</b>	<b>972,849,949</b>



## 5.1.5 (a) CREDIT CONCENTRATION

**5.1.5(a)i Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.**

### By geography

Group December 2016	Nigeria	Rest of Africa	Europe	Others	Total
In thousands of Naira					
Cash and balances with banks	415,235,668	47,170,554	200,997,037	-	663,403,259
Investment under management	14,871,247	-	-	-	14,871,247
Non pledged trading assets					
Treasury bills	34,381,635	-	-	-	34,381,635
Bonds	10,170,293	-	18,304	-	10,188,597
Derivative financial instruments	149,856,253	1,388,281	97,119	4,701,331	156,042,984
Loans and advances to banks	5,156,475	-	40,046,527	-	45,203,002
Loans and advances to customers					
Auto Loan	4,366,544	84,204	-	-	4,450,748
Credit Card	3,935,784	43,450	-	-	3,979,234
Finance Lease	3,987,898	-	-	-	3,987,898
Mortgage Loan	4,996,952	918,895	24,304,711	-	30,220,558
Overdraft	130,272,256	45,017,450	-	-	175,289,706
Personal Loan	16,789,104	1,282,968	-	-	18,072,072
Term Loan	1,017,646,255	48,440,037	22,632,958	-	1,088,719,250
Time Loan	412,567,554	28,556,750	43,615,404	-	484,739,708
Pledged assets					
Treasury bills	188,239,520	-	-	-	188,239,520
Bonds	126,707,982	-	-	-	126,707,982
Investment securities					
Available for sale					
Treasury bills	40,960,665	6,092,117	22,293,819	-	69,346,601
Bonds	18,939,219	13,297,546	655,084	-	32,891,849
Held to Maturity					
Treasury bills	-	27,350,114	-	-	27,350,114
Bonds	37,917,493	737,963	2,445,558	-	41,101,014
Other assets	32,437,346	7,685,644	1,673,078	-	41,796,068
<b>Total</b>	<b>2,669,436,142</b>	<b>228,065,973</b>	<b>358,779,599</b>	<b>4,701,331</b>	<b>3,260,983,047</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	136,163,848	48,420,025	1,667,845	-	186,251,718
Guaranteed facilities	85,513,821	14,068,888	-	-	99,582,709
Clean line facilities for letters of credit and other commitments	158,994,793	16,950,311	85,263,139	-	261,208,243
Future, swap and forward contracts	744,259,779	33,663,881	128,787,677	26,362,557	933,073,893
<b>Total</b>	<b>1,124,932,240</b>	<b>113,103,105</b>	<b>215,718,660</b>	<b>26,362,557</b>	<b>1,480,116,563</b>

## CREDIT CONCENTRATION

Continued

### By geography

Group December 2015	Nigeria	Rest of Africa	Europe	Others	Total
In thousands of Naira					
Cash and balances with banks	376,441,830	27,540,483	38,551,683	-	478,409,336
Investment under management	10,403,608	-	-	-	10,403,608
Non pledged trading assets					
Treasury bills	50,209,442	-	-	-	50,209,442
Bonds	2,025,000	-	-	-	2,025,000
Derivative financial instruments	77,852,349	-	52,671	-	77,905,020
Loans and advances to banks	634,381	-	42,099,529	-	42,733,910
Loans and advances to customers					
Auto Loan	5,291,292	227,756	-	-	5,519,048
Credit Card	2,812,544	38,876	-	-	2,851,420
Finance Lease	1,812,908	-	-	-	1,812,908
Mortgage Loan	4,359,784	2,378,877	17,326,478	-	24,065,139
Overdraft	179,077,197	19,241,733	-	-	198,318,930
Personal Loan	17,863,574	2,320,034	-	-	20,183,608
Term Loan	746,115,794	20,515,466	12,574,879	-	779,206,139
Time Loan	285,882,216	35,131,205	12,860,217	-	333,873,639
Pledged assets					
Treasury bills	103,684,044	3,250,774	-	-	106,934,818
Bonds	96,780,580	-	-	-	96,780,580
Investment securities					
Available for sale					
Treasury bills	10,436,980	18,559,026	-	-	28,996,006
Bonds	54,679,355	-	6,524,859	-	61,204,214
Held to Maturity					
Treasury bills	-	6,008,800	1,678,481	-	7,687,281
Bonds	39,278,886	1,560,321	2,904,088	-	43,743,295
Other assets	68,256,292	3,600,119	304,328	-	72,160,739
<b>Total</b>	<b>2,133,898,056</b>	<b>140,373,471</b>	<b>134,877,213</b>	<b>-</b>	<b>2,445,024,080</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	210,432,185	10,695,345	-	-	221,127,530
Guaranteed facilities	86,113,061	7,132,642	890,224	-	94,135,927
Clean line facilities for letters of credit and other commitments	160,094,292	28,184,541	28,506,759	-	216,785,592
Future, swap and forward contracts	340,959,986	40,557,729	59,283,185	-	440,800,900
<b>Total</b>	<b>797,599,524</b>	<b>86,570,258</b>	<b>88,680,168</b>	<b>-</b>	<b>972,849,949</b>



## CREDIT RISK MANAGEMENT

5.1.5 (b)

### By Sector

#### Bank

#### December 2016

In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	480,395,147	-	-	-	480,395,147
Investment under management	10,913,760	-	1,070,385	-	2,887,102	-	14,871,247
Non pledged trading assets							
Treasury bills	-	-	-	-	34,381,635	-	34,381,635
Bonds	-	9,913	8,391	-	10,170,293	-	10,188,597
Derivative financial instruments	28,003,737	-	5,360,808	-	122,408,117	-	155,772,662
Loans and advances to banks	-	-	104,006,574	-	-	-	104,006,574
Loans and advances to customers							
Auto Loan	-	-	-	4,366,544	-	-	4,366,544
Credit Card	26,799	-	-	3,895,578	-	-	3,922,377
Finance Lease	2,404,390	1,259,848	-	312,384	11,275	-	3,987,898
Mortgage Loan	-	18,242	-	4,978,710	-	-	4,996,952
Overdraft	19,595,999	104,350,992	-	6,318,069	20,603	-	130,285,663
Personal Loan	-	-	-	16,789,104	-	-	16,789,104
Term Loan	371,285,015	375,330,466	-	5,193,606	265,837,168	-	1,017,646,255
Time Loan	176,512,323	235,178,172	-	669,550	207,509	-	412,567,554
Pledged assets							
Treasury bills	-	-	-	-	188,239,520	-	188,239,520
Bonds	-	-	-	-	126,707,982	-	126,707,982
Investment securities							
Available for sale							
Treasury bills	-	-	-	-	40,960,665	-	40,960,665
Bonds	377,207	-	5,814,936	-	15,507,737	-	21,699,880
Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	3,036,929	-	1,032,857	-	36,293,265	-	40,363,051
Other assets	17,580,637	1,895,503	1,426,691	3,706,154	4,430,246	4,225,841	33,265,072
<b>Total</b>	<b>629,736,797</b>	<b>718,043,135</b>	<b>599,115,790</b>	<b>46,229,699</b>	<b>848,063,117</b>	<b>4,225,841</b>	<b>2,845,414,378</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	136,163,848	-	-	-	-	-	136,163,848
Guaranteed facilities	85,363,821	-	150,000	-	-	-	85,513,821
Clean line facilities for letters of credit and other commitments	128,707,741	-	-	-	30,287,053	-	158,994,793
Future, swap and forward contracts	314,341,917	-	152,493,026	-	433,601,415	-	900,436,358
<b>Total</b>	<b>664,577,327</b>		<b>152,643,026</b>		<b>463,888,468</b>		<b>- 1,281,108,820</b>

## CREDIT CRISK MANAGAMENT

Continued

### By Sector

#### Bank

#### December 2015

In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	376,441,830	-	-	-	376,441,830
Investment under management	2,385,288	-	4,927,888	-	3,090,432	-	10,403,608
Non pledged trading assets							
Treasury bills	-	-	-	-	50,209,443	-	50,209,443
Bonds	4,568	-	59,077	-	1,961,355	-	2,025,000
Derivative financial instruments	3,485,545	-	861,736	-	73,505,068	-	77,852,349
Loans and advances to banks	-	-	60,414,721	-	-	-	60,414,721
Loans and advances to customers							
Auto Loan	173,144	1,020,277	-	4,076,949	20,922	-	5,291,293
Credit Card	-	-	-	2,812,544	-	-	2,812,544
Finance Lease	983,461	829,447	-	-	-	-	1,812,908
Mortgage Loan	-	27,552	-	4,332,232	-	-	4,359,784
Overdraft	61,513,770	112,064,079	-	4,381,653	1,302,179	-	179,261,680
Personal Loan	-	-	-	17,863,573	-	-	17,863,573
Term Loan	310,192,916	268,549,705	-	3,272,990	163,915,701	-	745,931,312
Time Loan	132,203,718	149,821,320	-	633,471	3,223,707	-	285,882,216
Pledged assets							
Treasury bills	-	-	-	-	103,684,044	-	103,684,044
Bonds	-	-	-	-	96,780,580	-	96,780,580
Investment securities							
Available for sale							
Treasury bills	-	-	-	-	10,436,981	-	10,436,981
Bonds	-	-	6,016,748	-	54,679,355	-	60,696,103
Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	1,684,150	-	1,007,643	-	37,594,736	-	40,286,529
Other assets	22,790,400	6,047,003	2,116,917	11,235,870	27,278,697	40,859	69,509,746
<b>Total</b>	<b>535,416,9610</b>	<b>538,359,383</b>	<b>451,846,560</b>	<b>48,609,282</b>	<b>627,683,200</b>	<b>40,859</b>	<b>2,201,956,244</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	29,902,004	188,165,021	-	-	-	-	218,067,025
Guaranteed facilities	4,742,037	84,472,264	-	23,484	2,403,148	-	91,640,933
Clean line facilities for letters of credit and other commitments	34,714,834	125,379,457	-	-	-	-	160,094,292
Future, swap and forward contracts	45,889,610	-	105,926,291	-	288,985,000	-	440,800,900
<b>Total</b>	<b>115,248,485</b>	<b>398,016,742</b>	<b>105,926,291</b>	<b>23,484</b>	<b>291,388,148</b>		<b>910,603,149</b>



## CREDIT RISK MANAGEMENT

### 5.1.5 (b) i

#### By geography

<b>Bank</b>					
<b>December 2016</b>	<b>Nigeria</b>	<b>Rest of Africa</b>	<b>Europe</b>	<b>Others</b>	<b>Total</b>
In thousands of Naira					
Cash and balances with banks	415,235,668	-	65,159,480	-	480,395,147
Investment under management	14,871,247	-	-	-	14,871,247
Non pledged trading assets					
Treasury bills	34,381,635	-	-	-	34,381,635
Bonds	10,170,293	-	18,304	-	10,188,597
Derivative financial instruments	149,856,253	1,117,959	97,119	4,701,331	155,772,662
Loans and advances to banks	5,156,475	-	98,850,099	-	104,006,574
Loans and advances to customers					
Auto Loan	4,366,544	-	-	-	4,366,544
Credit Card	3,922,377	-	-	-	3,922,377
Finance Lease	3,987,898	-	-	-	3,987,898
Mortgage Loan	4,996,952	-	-	-	4,996,952
Overdraft	130,285,663	-	-	-	130,285,663
Personal Loan	16,789,104	-	-	-	16,789,104
Term Loan	1,017,646,255	-	-	-	1,017,646,255
Time Loan	412,567,554	-	-	-	412,567,554
Pledged assets					
Treasury bills	188,239,520	-	-	-	188,239,520
Bonds	126,707,982	-	-	-	126,707,982
Investment securities					
Available for sale					
Treasury bills	40,960,665	-	-	-	40,960,665
Bonds	18,939,219	-	2,760,661	-	21,699,880
Held to Maturity					
Treasury bills	-	-	-	-	-
Bonds	37,917,493	-	2,445,558	-	40,363,051
Other assets	32,437,346	808,611	19,115	-	33,265,072
<b>Total</b>	<b>2,669,436,143</b>	<b>1,926,570</b>	<b>169,350,336</b>	<b>4,701,331</b>	<b>2,845,414,379</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	136,163,848	-	-	-	136,163,848
Guaranteed facilities	85,513,821	-	-	-	85,513,821
Clean line facilities for letters of credit and other commitments	158,994,793	-	-	-	158,994,793
Future, swap and forward contracts	744,259,779	32,748,881	97,065,142	26,362,557	900,436,358
<b>Total</b>	<b>1,124,932,241</b>	<b>32,748,881</b>	<b>97,065,142</b>	<b>26,362,557</b>	<b>1,281,108,820</b>

## CREDIT RISK MANAGEMENT

Continued

### By geography

<b>Bank</b>					
<b>December 2015</b>	<b>Nigeria</b>	<b>Rest of Africa</b>	<b>Europe</b>	<b>Others</b>	<b>Total</b>
In thousands of Naira					
Cash and balances with banks	405,998,636		-	-	405,998,636
Investment under management	10,403,608		-	-	10,403,608
Non pledged trading assets					
Treasury bills	50,209,443	-	-	-	50,209,443
Bonds	1,961,355	-	63,645	-	2,025,000
Derivative financial instruments	76,970,769	-	867,235	14,345	77,852,349
Loans and advances to banks	634,098	-	59,780,624	-	60,414,722
Loans and advances to customers					
Auto Loan	5,291,293	-	-	-	5,291,293
Credit Card	2,812,544	-	-	-	2,812,544
Finance Lease	1,812,908	-	-	-	1,812,908
Mortgage Loan	4,359,784	-	-	-	4,359,784
Overdraft	179,261,680	-	-	-	179,261,680
Personal Loan	17,863,573	-	-	-	17,863,573
Term Loan	745,931,312	-	-	-	745,931,312
Time Loan	285,882,216	-	-	-	285,882,216
Pledged assets					
Treasury bills	103,684,044	-	-	-	103,684,044
Bonds	96,780,580	-	-	-	96,780,580
Investment securities					
Available for sale					
Treasury bills	10,436,981	-	-	-	10,436,981
Bonds	54,679,356	-	5,857,725	159,022	60,696,103
Held to Maturity					
Treasury bills		-	-	-	-
Bonds	39,278,886	-	1,007,643	-	40,286,529
Other assets	68,076,063	1,409,196	24,487	-	69,509,746
<b>Total</b>	<b>2,162,329,129</b>	<b>1,409,196</b>	<b>67,601,359</b>	<b>173,367</b>	<b>2,231,513,051</b>

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	218,067,025	-	-	-	218,067,025
Guaranteed facilities	91,640,933	-	-	-	91,640,933
Clean line facilities for letters of credit and other commitments	160,094,292	-	-	-	160,094,292
Future, swap and forward contracts	340,959,986	40,557,729	59,283,185	-	440,800,900
<b>Total</b>	<b>810,762,236</b>	<b>40,557,729</b>	<b>59,283,185</b>		<b>910,603,150</b>



**5.2.1 A summary of the Group's interest rate gap position on financial instruments is as follows:**

Group	Re-pricing period					Total
	Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	
<i>In thousands of Naira</i>						
<b>31 December 2016</b>						
Non-derivative assets						
Cash and balances with banks	118,063,803	1,762,209	-	-	-	713,889,105
Investment under management	14,871,247	-	-	-	-	14,871,247
Non pledged trading assets						
Treasury bills	7,104,931	8,132,475	19,144,229	-	-	34,381,635
Bonds	-	-	1,993	10,186,604	-	10,188,597
Loans and advances to banks	35,976,130	7,477,605	1,523,322	224,438	1,508	45,203,002
Loans and advances to customers						
Auto Loan	48,036	140,524	285,619	3,722,834	253,736	4,450,747
Credit Card	3,857,163	187	16,538	105,348	-	3,979,235
Finance Lease	196,694	9,501	166,902	3,614,801	-	3,987,898
Mortgage Loan	24,310,113	759	39,255	1,195,811	4,674,619	30,220,557
Overdraft	104,827,946	8,168,255	61,356,628	936,877	-	175,289,705
Personal Loan	273,440	162,550	1,426,014	15,957,194	252,875	18,072,072
Term Loan	30,863,690	14,132,484	16,004,301	454,903,302	572,815,472	1,088,719,249
Time Loan	257,669,712	58,309,804	99,697,734	69,062,457	-	484,739,708
Pledged assets						
Treasury bills	39,049,250	67,819,721	81,370,550	-	-	188,239,521
Bonds	-	3,541,654	8,215,582	22,140,686	92,810,059	126,707,982
Investment securities						
Available for sale						
Treasury bills	24,469,054	10,305,106	34,572,441	-	-	69,346,601
Bonds	-	5,537,388	-	8,923,273	18,431,188	32,891,849
Held to Maturity						
Treasury bills	8,342,441	8,638,753	10,368,919	-	-	27,350,114
Bonds	-	88,654	2,302,702	7,555,286	31,754,372	41,101,014
Other assets	-	-	-	-	-	41,796,068
	<b>669,923,650</b>	<b>194,227,629</b>	<b>336,492,729</b>	<b>598,528,911</b>	<b>720,393,828</b>	<b>3,155,425,907</b>
Non-derivative liabilities						
Deposits from financial institutions	151,001,693	69,658	16,285,233	-	-	167,356,583
Deposits from customers	1,910,193,499	41,569,864	52,508,124	8,390,090	-	2,089,197,286
Other liabilities	-	-	-	-	-	111,117,648
Debt securities issued	7,624,982	3,802,546	92,736,609	212,380,366	-	316,544,502
Interest bearing borrowings	-	2,057,477	60,029,752	219,372,282	-	299,543,707
	<b>2,068,820,174</b>	<b>47,499,545</b>	<b>221,559,718</b>	<b>440,142,738</b>	<b>-</b>	<b>2,983,759,725</b>
<b>Total interest re-pricing gap</b>	<b>(1,398,896,525)</b>	<b>146,728,084</b>	<b>114,933,011</b>	<b>158,386,173</b>	<b>720,393,828</b>	<b>171,666,181</b>

**Group**

*In thousands of Naira*  
**31 December 2015**

	Re-pricing period					Total
	Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	
Non-derivative assets						
Cash and balances with banks	52,433,982	-	-	-	-	478,409,336
Investment under management	10,403,608	-	-	-	-	10,403,608
Non pledged trading assets						
Treasury bills	7,378,205	9,653,535	33,177,703	-	-	50,209,443
Bonds	-	-	42,554	1,182,521	799,925	2,025,000
Loans and advances to banks	543,309	-	42,099,529	91,072	-	42,733,910
Loans and advances to customers						
Auto Loan	28,585	63,060	284,135	5,143,268	-	5,519,048
Credit Card	794,103	273,215	101,128	1,682,974	-	2,851,420
Finance Lease	55,553	181,241	360,817	1,215,297	-	1,812,908
Mortgage Loan	2,156	-	1,055,368	800,711	22,206,904	24,065,139
Overdraft	136,304,482	14,520,390	47,494,058	-	-	198,318,930
Personal Loan	137,483	137,495	424,720	19,469,367	14,543	20,183,608
Term Loan	67,304,865	8,558,580	19,636,782	400,260,208	283,445,704	779,206,139
Time Loan	239,163,978	33,573,023	60,276,238	859,764	636	333,873,638
Pledged assets						
Treasury bills	50,456,135	26,579,358	29,899,324	-	-	106,934,817
Bonds	-	-	11,591,562	8,155,781	77,033,237	96,780,580
Investment securities						
Available for sale	-	-	-	-	-	-
Treasury bills	14,730,720	4,013,091	8,493,425	1,758,770	-	28,996,006
Bonds	-	-	2,013,715	20,246,719	38,943,780	61,204,214
Held to Maturity						
Treasury bills	257,092	2,930,151	7,687,281	24,639,513	6,650,151	7,687,281
Bonds	-	-	9,266,388	-	-	43,743,295
Other assets	-	-	-	-	-	72,160,739
	<b>579,994,256</b>	<b>100,483,139</b>	<b>273,904,727</b>	<b>485,505,964</b>	<b>429,094,880</b>	<b>2,367,119,060</b>
Non-derivative liabilities						
Deposits from financial institutions	70,684,694	2,229,727	-	-	-	72,914,421
Deposits from customers	1,524,107,621	70,456,406	66,657,799	22,022,494	-	1,683,244,320
Other liabilities	-	-	-	-	-	65,277,321
Debt securities issued	-	-	-	149,853,640	-	149,853,640
Interest bearing borrowings	17,049	12,457	1,008,489	20,356,658	197,232,476	231,467,161
	<b>1,594,809,364</b>	<b>72,698,590</b>	<b>67,666,288</b>	<b>192,232,792</b>	<b>197,232,476</b>	<b>2,202,756,863</b>
<b>Total interest re-pricing gap</b>	<b>(1,014,815,108)</b>	<b>27,784,549</b>	<b>206,238,439</b>	<b>293,273,172</b>	<b>231,862,404</b>	<b>164,362,197</b>



**5.2.1 A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:**

Bank	In thousands of Naira 31 December 2016	Re-pricing period					Total
		Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	
Non-derivative assets							
Cash and balances with banks	41,798,197	-	-	-	-	-	517,997,249
Investment under management	14,871,247	-	-	-	-	-	14,871,247
Non pledged trading assets							
Treasury bills	7,104,931	8,132,475	19,144,229	-	-	-	34,381,635
Bonds	-	-	1,993	10,186,604	-	-	10,188,597
Loans and advances to banks	100,956	-	80,850,522	23,055,096	-	-	104,006,574
Loans and advances to customers							
Auto Loan	44,538	140,498	278,421	3,649,349	253,737	-	4,366,544
Credit Card	3,787,028	187	16,538	118,623	-	-	3,922,377
Finance Lease	196,694	9,501	166,902	3,614,801	-	-	3,987,898
Mortgage Loan	4,996	353	38,443	1,156,744	3,796,416	-	4,996,952
Overdraft	102,563,620	8,168,255	19,374,316	179,472	-	-	130,285,663
Personal Loan	266,532	159,842	860,207	15,477,175	25,348	-	16,789,105
Term Loan	8,752,512	13,988,889	15,750,168	409,300,808	569,853,878	-	1,017,646,255
Time Loan	240,757,770	50,689,184	52,089,014	69,031,586	-	-	412,567,553
Pledged assets							
Treasury bills	39,049,250	67,819,721	81,370,550	-	-	-	188,239,521
Bonds	-	3,541,654	8,215,582	22,140,686	92,810,060	-	126,707,982
Investment securities							
Available for sale							
Treasury bills	2,154,121	9,021,856	29,784,689	-	-	-	40,960,665
Bonds	-	4,009,824	-	3,650,527	14,039,528	-	21,699,880
Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	-	66,554	2,132,702	7,323,605	30,840,190	-	40,363,051
Other assets	-	-	-	-	-	-	33,265,072
	<b>461,452,392</b>	<b>165,748,796</b>	<b>310,074,275</b>	<b>568,885,079</b>	<b>711,619,154</b>	<b>509,464,124</b>	<b>2,727,243,819</b>
Non-derivative liabilities							
Deposits from financial institutions	85,753,842	39,901	9,328,445	-	-	-	95,122,188
Deposits from customers	1,657,794,162	36,053,247	45,539,922	7,276,665	-	-	1,813,042,872
Other liabilities	-	-	-	-	-	-	105,287,724
Debt securities issued	7,624,982	3,802,546	20,144,524	212,380,366	-	-	243,952,418
Interest bearing borrowings	2,557,609	58,694,740	9,724,633	285,275,751	-	-	372,179,785
	<b>1,753,730,595</b>	<b>98,590,434</b>	<b>84,737,524</b>	<b>504,932,781</b>	<b>711,619,154</b>	<b>187,593,653</b>	<b>2,629,584,986</b>
<b>Total interest re-pricing gap</b>	<b>(1,292,278,203)</b>	<b>67,158,362</b>	<b>225,336,751</b>	<b>63,952,298</b>	<b>711,619,154</b>	<b>321,870,471</b>	<b>97,658,833</b>

Bank	In thousands of Naira 31 December 2015	Re-pricing period					Total
		Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	
Non-derivative assets							
Cash and balances with banks	26,111,216	-	-	-	-	-	405,998,636
Investment under management	10,403,608	-	-	-	-	-	10,403,608
Non pledged trading assets							
Treasury bills	7,378,204	9,653,535	33,177,704	-	-	-	50,209,443
Bonds	-	-	42,554	1,182,522	799,924	-	2,025,000
Loans and advances to banks	-	496,780	59,828,535	89,406	-	-	60,414,721
Loans and advances to customers							
Auto Loan	28,584	63,061	284,135	4,915,512	-	-	5,291,292
Credit Card	794,103	273,215	62,253	1,682,973	-	-	2,812,544
Finance Lease	55,553	181,241	360,817	1,215,297	-	-	1,812,908
Mortgage Loan	2,156	-	105,537	800,711	3,451,380	-	4,359,784
Overdraft	136,671,678	14,335,907	28,254,095	-	-	-	179,261,680
Personal Loan	137,483	137,494	424,721	17,149,332	14,543	-	17,863,573
Term Loan	67,120,383	8,558,580	19,636,783	367,169,862	283,445,704	-	745,931,312
Time Loan	239,163,978	33,573,023	12,284,815	859,764	636	-	285,882,216
Pledged assets							
Treasury bills	48,794,846	26,291,063	28,598,135	-	-	-	103,684,044
Bonds	-	-	11,303,267	7,359,376	78,117,937	-	96,780,580
Investment securities							
Available for sale							
Treasury bills	6,158,089	-	4,278,892	-	-	-	10,436,981
Bonds	-	-	1,505,605	20,246,719	38,943,780	-	60,696,104
Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	-	-	9,126,791	24,574,550	6,585,188	-	40,286,529
Other assets	-	-	-	-	-	69,509,746	69,509,746
	<b>542,819,881</b>	<b>93,563,899</b>	<b>209,274,639</b>	<b>447,246,024</b>	<b>411,359,092</b>	<b>449,397,166</b>	<b>2,153,660,701</b>
Non-derivative liabilities							
Deposits from financial institutions	61,114,058	2,229,727	-	-	-	-	63,343,785
Deposits from customers	1,454,545,553	42,093,094	31,568,442	6,794	-	-	1,528,213,883
Other liabilities	-	-	-	-	-	62,871,485	62,871,485
Debt securities issued	-	-	-	78,516,655	-	-	78,516,655
Interest bearing borrowings	-	-	1,008,489	96,799,622	192,271,843	12,840,033	302,919,987
	<b>1,515,659,611</b>	<b>44,322,821</b>	<b>32,576,931</b>	<b>175,323,071</b>	<b>192,271,843</b>	<b>75,711,518</b>	<b>2,035,865,795</b>
<b>Total interest re-pricing gap</b>	<b>(972,839,730)</b>	<b>49,241,078</b>	<b>176,697,708</b>	<b>271,922,953</b>	<b>219,087,249</b>	<b>373,685,648</b>	<b>117,794,907</b>



## MARKET RISK MANAGEMENT

The Group trades on bonds, treasury bills and foreign currency. Market risk in trading portfolios is monitored and controlled using tools such as position limits, value at risk and present value of an assumed basis points change in yields or exchange rates coupled with concentration limits. The major measurement technique used to measure and control market risk is outlined below.

### 5.2.2 Value at risk (VaR)

The Group applies a 'Value at Risk' (VaR) methodology to its trading portfolios at a group level to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Board sets limits on the value of risk that may be accepted for the Group, which are monitored on a daily basis by Market Risk Unit. Interest rate risk in the non-trading book is measured through the use of interest rate repricing gap analysis (Note 5.2.1).

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Group might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VaR estimate. Value-at-risk estimates the potential maximum decline in the value of a position or portfolio, under normal market conditions, over a one-day holding period. It also assumes that market moves occurring over this holding period will follow a similar pattern. The Group applies these historical changes in rates, prices, etc. directly to its current positions - a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/ factors used in the VaR calculation.

The Access Bank value-at-risk method incorporates the factor sensitivities of the trading portfolio, the volatilities and correlations of the market risk factors. The group uses the variance covariance method which derives likely future changes in market value from historical market volatility. Value at risks is estimated on the basis of exposures outstanding at the close of business and therefore might not factor in the intra-day exposures. However, the bank does not only base its risk estimates on Value at Risk, it uses Stress tests to provide an indication of the potential size of losses that could arise in extreme conditions by applying a what-if analysis to further complement it. The results of the stress tests are reviewed by senior management in each business unit and by the Board of Directors.

The trading book is made up of foreign currency, Bonds and Treasury bills instruments. The value at Risk of the trading book is as stated:

Group VaR by risk type In thousands of Naira	December 2016			
	Average	High	Low	Actual
Foreign exchange risk	20,455	201,816	154	12,050
Interest rate risk	564,918	1,492,932	84,051	393,917
<b>Total</b>	<b>585,373</b>	<b>1,694,748</b>	<b>84,205</b>	<b>405,967</b>

Group	December 2015			
	Average	High	Low	Actual
Foreign exchange risk	19,346	78,309	151	32,375
Interest rate risk	93,877	414,318	14,199	316,697
<b>Total</b>	<b>113,223</b>	<b>492,627</b>	<b>14,350</b>	<b>349,072</b>

Bank VaR by risk type In thousands of Naira	December 2016			
	Average	High	Low	Actual
Foreign exchange risk	19,275	198,717	31	11,309
Interest rate risk	564,918	1,492,932	84,051	393,917
<b>Total</b>	<b>584,193</b>	<b>1,691,649</b>	<b>84,082</b>	<b>405,226</b>

Bank	December 2015			
	Average	High	Low	Actual
Foreign exchange risk	10,329	43,344	70	23,132
Interest rate risk	93,877	414,318	14,199	316,697
<b>Total</b>	<b>104,206</b>	<b>457,662</b>	<b>14,269</b>	<b>339,829</b>

## MARKET RISK MANAGEMENT

The table below sets out information on the exposure to fixed and variable interest instruments.

### Exposure to fixed and variable interest rate risk

#### Group

In thousands of Naira

<b>31 December 2016</b>	<b>Fixed</b>	<b>Floating</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>ASSETS</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash and balances with banks	119,826,012	-	594,063,093	713,889,105
Non pledged trading assets	44,570,231	-	59,348	44,629,579
Derivative financial instruments	-	-	156,042,984	156,042,984
Loans and advances to banks	45,203,002	-	-	45,203,002
Loans and advances to customers	4,891,994	1,804,567,178	-	1,809,459,172
Pledged assets	314,947,502	-	-	314,947,502
Investment securities:				
– Available-for-sale	102,238,450	-	58,424,194	160,662,644
– Held-to-maturity	68,451,128	-	-	68,451,128
<b>TOTAL</b>	<b>700,128,319</b>	<b>1,804,567,178</b>	<b>808,589,619</b>	<b>3,313,285,116</b>

<b>LIABILITIES</b>				
Deposits from financial institutions	167,356,583	-	-	167,356,583
Deposits from customers	925,976,555	1,163,220,731	-	2,089,197,286
Derivative financial instruments	-	-	30,444,501	30,444,501
Debt securities issued	195,907,812	120,636,690	-	316,544,502
Interest-bearing borrowings	254,868,576	44,675,131	-	299,543,707
<b>TOTAL</b>	<b>1,544,109,526</b>	<b>1,328,532,552</b>	<b>30,444,501</b>	<b>2,903,086,577</b>

<b>31 December 2015</b>	<b>Fixed</b>	<b>Floating</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>ASSETS</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash and balances with banks	52,433,982	-	425,975,354	478,409,336
Non pledged trading assets	52,234,443	-	63,979	52,298,422
Derivative financial instruments	-	-	77,905,020	77,905,020
Loans and advances to banks	42,733,910	-	-	42,733,910
Loans and advances to customers	4,556,129	1,361,274,702	-	1,365,830,831
Pledged assets	203,715,397	-	-	203,715,397
Investment securities:				
– Available-for-sale	90,200,220	-	44,592,330	134,792,550
– Held-to-maturity	51,463,576	-	-	51,463,576
<b>TOTAL</b>	<b>497,337,657</b>	<b>1,361,274,702</b>	<b>548,536,683</b>	<b>2,407,149,042</b>

<b>LIABILITIES</b>				
Deposits from financial institutions	72,914,421	-	-	72,914,421
Deposits from customers	706,327,211	976,917,109	-	1,683,244,320
Derivative financial instruments	-	-	3,077,927	3,077,927
Debt securities issued	-	149,853,640	-	149,853,640
Interest-bearing borrowings	181,214,364	50,252,797	-	231,467,161
<b>TOTAL</b>	<b>960,455,996</b>	<b>1,177,023,546</b>	<b>3,077,927</b>	<b>2,140,557,469</b>



## MARKET RISK MANAGEMENT

### Bank

<b>31 December 2016</b>	<b>Fixed</b>	<b>Floating</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>ASSETS</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash and balances with banks	41,798,197	-	476,199,052	517,997,249
Non pledged trading assets	44,570,231	-	59,348	44,629,579
Derivative financial instruments	-	-	155,772,662	155,772,662
Loans and advances to banks	104,006,574	-	-	104,006,574
Loans and advances to customers	4,374,708	1,590,187,637	-	1,594,562,345
Pledged assets	314,947,502	-	-	314,947,502
Investment securities:				
– Available-for-sale	62,660,545	-	58,177,045	120,837,590
– Held-to-maturity	40,363,051	-	-	40,363,051
<b>TOTAL</b>	<b>612,720,808</b>	<b>1,590,187,637</b>	<b>690,208,107</b>	<b>2,893,116,553</b>

### LIABILITIES

Deposits from financial institutions	95,122,188	-	-	95,122,188
Deposits from customers	799,495,575	1,013,547,297	-	1,813,042,872
Derivative financial instruments	-	-	30,275,181	30,275,181
Debt securities issued	123,315,728	120,636,690	-	243,952,418
Interest-bearing borrowings	327,504,654	44,675,131	-	372,179,785
<b>TOTAL</b>	<b>1,345,438,145</b>	<b>1,178,859,118</b>	<b>30,275,181</b>	<b>2,554,572,444</b>

<b>31 December 2015</b>	<b>Fixed</b>	<b>Floating</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>ASSETS</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash and balances with banks	26,111,216	-	379,887,420	405,998,636
Non pledged trading assets	52,234,443	-	63,979	52,298,422
Derivative financial instruments	-	-	77,852,349	77,852,349
Loans and advances to banks	-	60,414,721	-	60,414,721
Loans and advances to customers	4,231,571	1,238,983,738	-	1,243,215,309
Pledged assets	200,464,624	-	-	200,464,624
Investment securities:				
– Available-for-sale	71,133,084	-	44,575,185	115,708,269
– Held-to-maturity	40,286,529	-	-	40,286,529
<b>TOTAL</b>	<b>394,461,467</b>	<b>1,299,398,459</b>	<b>502,378,933</b>	<b>2,196,238,859</b>

### LIABILITIES

Deposits from financial institutions	63,343,785	-	-	63,343,785
Deposits from customers	632,818,563	895,395,320	-	1,528,213,883
Derivative financial instruments	-	-	2,416,378	2,416,378
Debt securities issued	-	78,516,655	-	78,516,655
Interest-bearing borrowings	181,214,364	121,705,623	-	302,919,987
<b>TOTAL</b>	<b>877,376,712</b>	<b>1,095,617,598</b>	<b>2,416,378</b>	<b>1,975,410,688</b>

Derivative financial instruments include elements of interest rate differential between the applicable underlying currencies. Further details on the fair value of derivatives has been discussed in Note 3.9(J) of the financial statement.

### Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing (note 5.2.1) and value at risk (note 5.2.2) that may be undertaken, which is monitored daily by Group Treasury.

## MARKET RISK MANAGEMENT

### Cash flow and fair value interest rate risk

The group's interest rate risk arises from risk assets, long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Other financial liabilities issued at fixed rates expose the group to fair value interest rate risk.

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

- (i) Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.
- (ii) Fair value reserves arising from increases or decreases in fair value of available-for-sale financial instruments reported directly in other comprehensive income.

### Group

#### Interest sensitivity analysis - 31 December 2016

##### Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk 100 basis points decline in rates	100 basis points increase in rates
Less than 3 months	(71,335)	71,335
6 months	(1,868,207)	1,868,207
12 months	(1,967,752)	1,967,752
	<b>(3,907,294)</b>	<b>3,907,294</b>

#### Interest sensitivity analysis - 31 December 2015

##### Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk 100 basis points decline in rates	100 basis points increase in rates
Less than 3 months	436,387	(436,387)
6 months	(18,941)	18,941
12 months	(231,879)	231,879
	<b>185,567</b>	<b>(185,567)</b>

### Bank

#### Interest sensitivity analysis - 31 December 2016

##### Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk 100 basis points decline in rates	100 basis points increase in rates
Less than 3 months	(67,938)	67,938
6 months	(1,612,292)	1,612,292
12 months	(1,805,538)	1,805,538
	<b>(3,485,768)</b>	<b>3,485,768</b>



## MARKET RISK MANAGEMENT

### Bank

#### Interest sensitivity analysis - 31 December 2015

#### Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk	
	100 basis points decline in rates	100 basis points increase in rates
Less than 3 months	441,514	(441,514)
6 months	(51,912)	51,912
12 months	(262,821)	262,821
	<b>126,781</b>	<b>(126,781)</b>

The table above sets out the impact on net interest income of a 100 basis points parallel fall or rise in all yields. A parallel increase in yields by 100 basis points would lead to an increase in net interest income while a parallel fall in yields by 100 basis points would lead to a decline in net interest income. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all positions will be retained and rolled over upon maturity. The figures represent the effect of movements in net interest income based on the 100 basis point shift in interest rate and subject to the current interest rate exposures. However, the effect has not taken into account the possible risk management measures undertaken by the Bank to mitigate interest rate risk. In practice, the Assets and Liability Committee, ALCO seeks proactively to change the interest rate risk profile to minimize losses and optimise net revenues. The projections also assume that interest rates on various maturities will move within similar ranges, and therefore do not reflect any potential effect on net interest income in the event that some interest rates may change and others remain unchanged.

#### Price sensitivity analysis on bonds and treasury bills

The table below shows the impact of likely movement in yields on the value of bonds and treasury bills. This relates to the positions held for trade and available for sale. Since an increase in yields would lead to decline in market values of bonds and treasury bills, the analysis was carried out to show the likely impact of 50 and 100 basis points increase in market yields. The impact of held for trading investments is on the income statement while the impact of available for sale instruments is on the statement of other comprehensive income.

### Group

#### 31 December 2016

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive income			
Investment under management Treasury bills			
Held for trading Bonds	10,188,597	(165,377)	(327,492)
Held for trading Treasury bills	34,381,635	(103,935)	(207,868)
Pledged assets: Bonds	-	-	-
Pledged assets: Treasury bills	104,560,978	(318,783)	(637,563)
	149,131,210	(588,095)	(1,172,923)
Impact on Other Comprehensive Income			
Available for sale investments	96,046,306	(859,399)	(1,742,610)
<b>TOTAL</b>	<b>245,177,516</b>	<b>(1,447,494)</b>	<b>(2,915,533)</b>

#### 31 December 2015

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive income			
Investment under management Treasury bills			
Held for trading Bonds	1,717,106	(15,142)	(29,252)
Held for trading Treasury bills	52,320,043	(85,915)	(182,492)
Pledged assets: Bonds	-	-	-
Pledged assets: Treasury bills	42,578,948	(69,920)	(148,516)
	96,616,097	(170,977)	(360,260)
Impact on Other Comprehensive Income			
Available for sale investments	119,034,346	(858,275)	(1,774,728)
<b>TOTAL</b>	<b>215,650,443</b>	<b>(1,029,252)</b>	<b>(2,134,988)</b>

## MARKET RISK MANAGEMENT

### Bank

#### 31 December 2016

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive income			
Investment under management Treasury bills			
Held for trading Bonds	10,170,293	(165,377)	(327,492)
Held for trading Treasury bills	34,381,635	(103,935)	(207,868)
Pledged assets: Bonds	-	-	-
Pledged assets: Treasury bills	104,560,978	(318,783)	(637,563)
	149,112,906	(588,095)	(1,172,923)
Impact on Other Comprehensive Income			
Available for sale investments	111,555,830	(859,399)	(1,742,610)
<b>TOTAL</b>	<b>260,668,736</b>	<b>(1,447,494)</b>	<b>(2,915,533)</b>

#### 31 December 2015

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive income			
Investment under management Treasury bills			
Held for trading Bonds	1,717,106	(15,142)	(29,252)
Held for trading Treasury bills	52,320,043	(85,915)	(182,492)
Pledged assets: Bonds	-	-	-
Pledged assets: Treasury bills	42,578,948	(69,920)	(148,516)
	96,616,097	(170,977)	(360,260)
Impact on Other Comprehensive Income			
Available for sale investments	119,034,346	(858,275)	(1,774,728)
<b>TOTAL</b>	<b>215,650,443</b>	<b>(1,029,252)</b>	<b>(2,134,988)</b>

### Foreign currency sensitivity analysis

The Group's principal foreign currency exposure is to US Dollars, as it constituted 75% of the Group's foreign currency exposure as at 31 December 2016. The table below illustrates the hypothetical sensitivity of the Group and Bank's reported profit to a 30% and 15% increase in the US Dollar/Naira exchange rates at the year end dates, assuming all other variables remain unchanged. The sensitivity rate of 30% and 15% represents the directors' assessment of a reasonable possible change based on historic volatility.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective cash flow hedge affect the fair value reserve in equity and the fair value of the hedging derivatives. For foreign exchange derivatives which are not designated hedges, movements in exchange rates impact the income statement.

### Group

In thousands of naira	Impact on statement of comprehensive income 31 December 2016	Impact on statement of comprehensive income 31 December 2015
Naira weakens by 15%	1,242,057	(12,178,312)
Naira weakens by 30%	2,484,113	(24,356,625)



## MARKET RISK MANAGEMENT

### Bank

In thousands of naira	Impact on statement of comprehensive income 31 December 2016	Impact on statement of comprehensive income 31 December 2015
Naira weakens by 15%	3,599,105	(13,038,569)
Naira weakens by 30%	7,198,209	(26,077,138)

The year end USD exchange rate applied in the above analysis is 305 (2015:199.30). The strengthening and weakening of Naira may not produce symmetrical results depending on the proportion and nature of foreign exchange derivatives which do not qualify for hedge accounting

### Sensitivity analysis of derivative valuation

Group carries out a sensitivity analysis to determine the effects that market variables may have on the fair value of the Group's derivative financial instruments and results of operations. Below is a sensitivity analysis of the derivatives to changes in spot rates. In doing this, all other variables have been held constant while varying the spot rate at 10% and 20%.

The table below contains the summary of the impact of Naira depreciation against US Dollars on statement of comprehensive income."

In thousands of naira	Impact on statement of comprehensive income 31 December 2016	Impact on statement of comprehensive income 31 December 2015
Naira weakens by 10%	16,751,618	(17,628,934)
Naira weakens by 20%	33,503,236	(35,257,868)

### Price sensitivity analysis on equity

For the equities, a sensitivity of the key valuation inputs was performed in note 4

**MARKET RISK MANAGEMENT**

**5.2.3** The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

**Financial instruments by currency****Group**

In thousands of Naira

**31 December 2016**

	<b>Total</b>	<b>Naira</b>	<b>US</b>	<b>GBP</b>	<b>Euro</b>	<b>Others</b>
Cash and balances with banks	713,889,105	449,810,262	107,945,620	108,816,821	15,018,080	32,298,322
Investment under management	14,871,247	14,871,247	-	-	-	-
Non-pledged trading assets						
Treasury bills	34,381,635	34,381,635	-	-	-	-
Bonds	10,188,597	10,170,293	18,304	-	-	-
Equity	59,348	59,348	-	-	-	-
Derivative financial instruments	156,042,984	155,807,597	-	117,937	-	117,449
Loans and advances to banks	45,203,002	5,120,324	36,849,371	100,828	3,054,125	78,354
Loans and advances to customers						
Auto Loan	4,450,747	4,366,543	-	-	-	84,204
Credit Card	3,979,235	461,865	3,489,838	356	-	27,176
Finance Lease	3,987,898	3,847,155	140,741	-	-	-
Mortgage Loan	30,220,557	4,945,265	51,687	-	24,304,711	918,895
Overdraft	175,289,705	115,975,909	19,408,321	112	1,914	39,903,450
Personal Loan	18,072,072	16,068,950	770,696	-	-	1,232,426
Term Loan	1,088,719,249	662,246,205	414,637,752	-	1,923,592	9,911,700
Time Loan	484,739,709	110,638,349	342,042,618	-	5,017,432	27,041,309
Pledged assets	-	-	-	-	-	-
Treasury bills	188,239,520	188,239,520	-	-	-	-
Bonds	126,707,982	126,707,982	-	-	-	-
Investment securities						
Available for sale						
Treasury bills	69,346,601	40,960,665	22,293,819	-	-	6,092,117
Bonds	32,648,488	18,939,219	3,319,215	-	-	10,390,054
Equity	58,667,555	58,420,406	-	220,510	-	26,639
Held to Maturity						
Treasury bills	27,350,114	-	-	-	-	27,350,114
Bonds	41,101,014	37,917,493	3,031,795	-	-	151,726
Other assets	41,796,068	25,620,309	9,312,046	693,416	3,157	6,167,140
	<b>3,369,952,432</b>	<b>2,085,576,541</b>	<b>963,311,822</b>	<b>109,949,979</b>	<b>49,323,011</b>	<b>161,791,075</b>
Deposits from financial institutions	167,356,583	23,799	135,858,174	12,101,600	10,666,112	8,706,898
Deposits from customers	2,089,197,286	1,496,193,858	395,957,684	93,758,760	11,414,977	91,872,007
Derivative financial instruments	30,444,501	30,275,182	5,494	121,239	1,650	40,936
Other liabilities	111,117,648	37,357,834	65,587,013	1,282,116	909,666	5,981,019
Debt securities issued	316,544,502	31,572,052	284,972,450	-	-	-
Interest bearing borrowings	299,543,707	226,099,848	72,650,629	13,923	122,277	657,030
	<b>3,014,204,227</b>	<b>1,821,522,573</b>	<b>955,031,444</b>	<b>107,277,638</b>	<b>23,114,682</b>	<b>107,257,890</b>
Off balance sheet exposures						
Transaction related bonds and guarantees	186,251,718	86,188,508	54,791,787	454,287	873,301	43,943,835
Guaranteed facilities	99,582,709	29,384,264	8,065,763	2,771,057	48,063,793	11,297,831
Clean line facilities for letters of credit and other commitments	261,208,243	231,580	205,935,077	2,322,543	12,145,795	40,573,249
Future, swap and forward contracts	933,073,893	-	901,351,358	31,722,536	-	-
	<b>1,480,116,563</b>	<b>115,804,352</b>	<b>1,170,143,986</b>	<b>37,270,422</b>	<b>61,082,889</b>	<b>95,814,915</b>

\*Included in Others are balances the group has in other currencies which includes South Africa Rand, Japanese Yen, Ghanaian Cedis, Dirham, Australian dollars, Canadian dollars, Swiss franc, Chinese Yuan etc.



## MARKET RISK MANAGEMENT

### Financial instruments by currency

#### Group

In thousands of Naira

31 December 2015

	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	478,409,336	390,808,342	32,769,177	37,047,633	12,223,493	5,560,691
Investment under management	10,403,608	10,403,608	-	-	-	-
Non-pledged trading assets	-	-	-	-	-	-
Treasury bills	50,209,443	50,209,443	-	-	-	-
Bonds	2,025,000	1,961,355	63,645	-	-	-
Equity	63,979	63,979	-	-	-	-
Derivative financial instruments	77,905,020	77,852,348	3,717	44,048	4,907	-
Loans and advances to banks	42,733,910	634,381	42,099,529	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Auto Loan	5,519,049	5,291,292	-	-	-	227,757
Credit Card	2,851,420	474,112	2,367,652	279	-	9,377
Finance Lease	1,812,908	1,274,915	537,993	-	-	-
Mortgage Loan	24,065,139	4,323,674	36,110	17,326,478	-	2,378,877
Overdraft	198,318,930	150,214,723	29,043,587	813	2,557	19,057,250
Personal Loan	20,183,608	17,420,469	443,105	-	-	2,320,034
Term Loan	779,206,138	417,826,517	354,381,107	1,470,780	-	5,527,734
Time Loan	333,873,639	131,874,807	178,602,799	122,143	2,915,589	20,358,301
Pledged assets	-	-	-	-	-	-
Treasury bills	106,934,817	103,684,044	-	-	-	3,250,773
Bonds	96,780,580	96,780,580	-	-	-	-
Investment securities	-	-	-	-	-	-
Available for sale	-	-	-	-	-	-
Treasury bills	28,996,006	10,436,981	-	-	-	18,559,025
Bonds	61,204,214	54,679,355	6,524,859	-	-	-
Equity	44,772,710	44,755,565	-	-	-	17,145
Held to Maturity	-	-	-	-	-	-
Treasury bills	7,687,281	-	-	-	-	7,687,281
Bonds	43,743,295	39,278,886	1,649,782	-	-	2,814,627
Other assets	72,160,739	68,885,882	1,429,786	782,577	-	1,062,494
	<b>2,489,680,770</b>	<b>1,679,135,259</b>	<b>649,952,848</b>	<b>56,794,751</b>	<b>15,146,546</b>	<b>88,831,366</b>
Deposits from financial institutions	72,914,421	3,835,704	49,320,402	13,902,757	3,334,043	2,521,515
Deposits from customers	1,683,244,320	1,076,584,753	469,856,575	50,513,055	11,177,254	75,112,683
Derivative financial instruments	3,077,927	-	2,420,095	54,905	4,907	598,020
Other liabilities	65,277,321	47,301,189	9,958,993	1,237,536	1,167,151	5,612,452
Debt securities issued	149,853,640	-	149,853,640	-	-	-
Interest bearing borrowings	231,467,161	181,664,842	49,731,893	-	-	70,426
	<b>2,205,834,790</b>	<b>1,309,386,488</b>	<b>731,141,598</b>	<b>65,708,253</b>	<b>15,683,355</b>	<b>83,915,096</b>
Off balance sheet exposures	-	-	-	-	-	-
Transaction related bonds and guarantees	221,127,530	146,219,742	53,624,913	4,198,409	1,086,120	15,998,346
Guaranteed facilities	94,135,927	44,908,152	11,049,934	-	38,144,012	33,829
Clean line facilities for letters of credit and other commitments	188,826,683	28,024,778	150,301,288	7,970,810	2,390,551	139,256
Future .swap and forward contracts	468,759,809	-	468,759,809	-	-	-
	<b>972,849,949</b>	<b>219,152,672</b>	<b>683,735,943</b>	<b>12,169,219</b>	<b>41,620,683</b>	<b>16,171,431</b>

**MARKET RISK MANAGEMENT**

**5.2.3** The table below summarises the Bank's financial instruments at carrying amount, categorised by currency:

**Financial instruments by currency****Bank**

In thousands of Naira

**31 December 2016**

	<b>Total</b>	<b>Naira</b>	<b>US</b>	<b>GBP</b>	<b>Euro</b>	<b>Others</b>
Cash and balances with banks	517,997,249	449,810,263	60,800,367	1,049,275	6,137,468	199,876
Investment under management	14,871,247	14,871,247	-	-	-	-
Non-pledged trading assets						
Treasury bills	34,381,635	34,381,635	-	-	-	-
Bonds	10,188,597	10,170,293	18,304	-	-	-
Equity	59,348	59,348	-	-	-	-
Derivative financial instruments	155,772,662	155,772,662	-	-	-	-
Loans and advances to banks	104,006,574	5,120,323	98,886,251	-	-	-
Loans and advances to customers						
Auto Loan	4,366,544	4,366,544	-	-	-	-
Credit Card	3,922,377	461,866	3,460,156	356	-	-
Finance Lease	3,987,897	3,847,155	140,741	-	-	-
Mortgage Loan	4,996,952	4,945,265	51,687	-	-	-
Overdraft	130,285,663	115,989,317	14,296,347	-	-	-
Personal Loan	16,789,104	16,068,950	720,154	-	-	-
Term Loan	1,017,646,255	662,246,205	355,400,050	-	-	-
Time Loan	412,567,554	110,638,348	297,462,741	-	4,214,043	252,422
Pledged assets						
Treasury bills	188,239,520	188,239,520	-	-	-	-
Bonds	126,707,982	126,707,982	-	-	-	-
Investment securities						
Available for sale	-	-	-	-	-	-
Treasury bills	40,960,665	40,960,665	-	-	-	-
Bonds	21,456,519	18,939,219	2,517,300	-	-	-
Equity	58,420,406	58,420,406	-	-	-	-
Held to Maturity						
Treasury bills	-	-	-	-	-	-
Bonds	40,363,051	37,917,493	2,445,558	-	-	-
Other assets	33,265,072	25,620,310	7,640,386	3,506	870	-
	<b>2,941,252,872</b>	<b>2,085,555,016</b>	<b>843,840,041</b>	<b>1,053,137</b>	<b>10,352,381</b>	<b>452,298</b>
Deposits from financial institutions	95,122,188	23,800	88,867,543	13,942	6,137,942	78,961
Deposits from customers	1,813,042,872	1,496,193,859	308,016,702	5,443,703	3,388,353	255
Derivative financial instruments	30,275,181	30,275,181	-	-	-	-
Other liabilities	105,287,724	39,811,426	64,501,462	76,042	815,402	83,392
Debt securities issued	243,952,418	31,572,052	212,380,366	-	-	-
Interest bearing borrowings	372,179,785	226,099,849	146,079,936	-	-	-
	<b>2,659,860,167</b>	<b>1,823,976,167</b>	<b>819,846,009</b>	<b>5,533,687</b>	<b>10,341,697</b>	<b>162,608</b>
Off balance sheet exposures						
Transaction related bonds and guarantees	136,163,848	86,188,508	48,890,645	454,287	630,408	-
Guaranteed facilities	85,513,821	29,384,265	8,065,763	-	48,063,793	-
Clean line facilities for letters of credit and other commitments	158,994,793	231,581	149,868,358	1,893,686	5,828,248	1,172,921
Future, swap and forward contracts	900,436,358	-	900,436,358	-	-	-
	1,281,108,820	115,804,354	1,107,261,124	2,347,973	54,522,449	1,172,921

## MARKET RISK MANAGEMENT

### Financial instruments by currency

#### Bank

In thousands of Naira

31 December 2015

	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	405,998,636	390,808,342	10,895,411	926,274	3,287,055	81,554
Investment under management	10,403,608	10,403,608	-	-	-	-
Non-pledged trading assets	-	-	-	-	-	-
Treasury bills	50,209,443	50,209,443	-	-	-	-
Bonds	2,025,000	1,961,355	63,645	-	-	-
Equity	63,645	63,645	-	-	-	-
Derivative financial instruments	77,852,349	77,852,349	-	-	-	-
Loans and advances to banks	60,414,721	-	48,589,493	6,208,168	5,617,060	-
Loans and advances to customers	-	-	-	-	-	-
Auto Loan	5,291,292	5,291,292	-	-	-	-
Credit Card	2,812,544	474,112	2,338,153	279	-	-
Finance Lease	1,812,908	1,274,915	537,993	-	-	-
Mortgage Loan	4,359,784	4,323,674	36,110	-	-	-
Overdraft	179,261,680	150,214,723	29,043,587	813	2,557	-
Personal Loan	17,863,573	17,420,469	443,104	-	-	-
Term Loan	745,931,312	417,826,517	328,104,795	-	-	-
Time Loan	285,882,216	131,874,807	151,819,340	122,143	1,870,046	195,880
Pledged assets	-	-	-	-	-	-
Treasury bills	103,684,044	103,684,044	-	-	-	-
Bonds	96,780,580	96,780,580	-	-	-	-
Investment securities	-	-	-	-	-	-
Available for sale	-	-	-	-	-	-
Treasury bills	10,436,981	10,436,981	-	-	-	-
Bonds	60,696,103	54,679,355	6,016,748	-	-	-
Equity	44,755,565	44,755,565	-	-	-	-
Held to Maturity	-	-	-	-	-	-
Treasury bills	40,286,529	39,278,886	1,007,643	-	-	-
Bonds	69,509,746	68,885,884	623,862	-	-	-
Other assets	<b>2,276,332,261</b>	<b>1,678,500,546</b>	<b>579,519,884</b>	<b>7,257,677</b>	<b>10,776,718</b>	<b>277,434</b>
Deposits from financial institutions	63,343,785	3,835,704	56,497,608	122,988	2,806,460	81,025
Deposits from customers	1,528,213,883	1,076,584,753	443,902,655	4,549,723	3,176,591	161
Derivative financial instruments	2,416,378	-	2,416,378	-	-	-
Other liabilities	62,871,485	51,705,684	9,955,814	26,394	1,167,151	16,442
Debt securities issued	78,516,655	-	78,516,655	-	-	-
Interest bearing borrowings	302,919,987	181,664,842	121,255,145	-	-	-
Off balance sheet exposures	2,038,282,172	1,313,790,983	712,544,255	4,699,105	7,150,202	97,628
Transaction related bonds and guarantees	218,067,025	164,267,159	52,358,822	354,924	1,086,120	-
Guaranteed facilities	91,640,933	42,446,987	11,049,934	-	38,144,012	-
Clean line facilities for letters of credit and other commitments	160,094,292	78,087	157,178,621	483,607	2,214,721	139,256
Future, swap and forward contracts	440,800,900	-	440,800,900	-	-	-
	910,603,150	206,792,233	661,388,277	838,531	41,444,853	139,256



## LIQUIDITY RISK MANAGEMENT

The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

The amounts in the table below have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than one month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks and debt securities issued by federal government, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

## MARKET RISK MANAGEMENT

### 5.3.1 Residual contractual maturities of financial assets and liabilities

Group	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
<b>31 December 2016</b>							
In thousands of Naira							
Cash and balances with banks	713,889,105	715,345,365	353,988,075	7,247,123	53,642,143	-	300,468,024
Investment under management	14,871,247	14,871,247	10,411,554	4,459,693	-	-	-
Non-pledged trading assets							
Treasury bills	34,381,635	34,029,176	9,040,335	4,866,243	20,122,598	-	-
Bonds	10,188,597	16,619,894	631,976	91,576	718,002	6,761,748	8,416,592
Derivative financial instruments	156,042,984	156,042,984	27,079,269	33,598,441	38,327,725	57,037,549	-
Loans and advances to banks	45,203,002	45,463,319	33,905,765	4,685,904	6,871,650	-	-
Loans and advances to customers							
Auto Loan	4,450,747	4,514,364	352,266	325,139	743,859	3,093,100	-
Credit Card	3,979,235	4,051,996	3,916,648	187	16,538	118,623	-
Finance Lease	3,987,897	4,007,259	709,657	370,719	725,035	2,201,848	-
Mortgage Loan	30,220,557	30,304,601	24,297,892	1,43,547	37,176	2,717,493	3,108,493
Overdraft	175,289,705	186,881,261	115,424,409	8,168,255	62,334,086	954,511	-
Personal Loan	18,072,072	18,754,870	3,212,043	1,692,016	4,106,747	9,486,725	257,338
Term Loan	1,088,719,249	1,109,876,546	92,812,191	37,992,342	70,123,875	620,946,018	288,002,120
Time Loan	484,739,708	486,774,565	321,897,757	36,295,722	63,668,031	64,913,055	-
Pledged assets							
Treasury bills	188,239,520	209,782,953	40,001,539	74,184,000	95,597,414	-	-
Bonds	126,707,982	210,020,282	1,841,690	7,536,150	12,442,115	53,256,317	134,944,010
Investment securities							
Available for sale							
Treasury bills	69,346,601	69,633,449	24,517,339	9,716,110	35,400,000	-	-
Bonds	32,891,849	39,382,977	477,858	5,278,846	1,616,705	14,058,682	17,950,886
Held to Maturity							
Treasury bills	27,350,114	28,180,997	16,686,645	4,378,220	7,116,132	-	-
Bonds	41,101,013	98,737,383	6,191,560	3,272,392	4,798,727	26,230,505	58,244,199
Other assets	41,796,068	44,763,927	16,103,065	8,352,445	2,674,098	17,634,319	-
	<b>3,311,466,889</b>	<b>3,528,039,417</b>	<b>1,103,499,533</b>	<b>252,655,073</b>	<b>481,082,654</b>	<b>879,410,493</b>	<b>811,391,662</b>
Deposits from financial institutions	167,356,583	164,074,987	88,509,852	28,368,657	47,196,478	-	-
Deposits from customers	2,089,197,286	2,131,487,288	1,770,249,157	169,609,396	131,265,649	60,363,086	-
Derivative financial instruments	30,444,501	30,444,581	6,319,085	9,071,764	15,053,732	-	-
Other liabilities	111,117,648	111,134,476	34,280,187	64,128,144	12,124,191	601,954	-
Debt securities issued	316,544,502	414,465,451	11,105,760	14,661,659	388,698,032	-	-
Interest bearing borrowings	299,543,707	349,046,526	5,715,379	11,935,782	16,675,458	95,242,608	219,477,299
	<b>3,014,204,226</b>	<b>3,200,653,309</b>	<b>1,916,179,420</b>	<b>297,775,402</b>	<b>611,013,540</b>	<b>156,207,648</b>	<b>219,477,299</b>
Gap (asset - liabilities)	297,264,664	327,386,108	(812,679,887)	(45,120,329)	(129,930,886)	723,202,845	591,914,365
Cumulative liquidity gap			(812,679,887)	(857,800,216)	(987,731,102)	(264,528,257)	327,386,109
Off-balance sheet							
Transaction related bonds and guarantees	186,251,718	186,251,718	58,396,012	20,312,880	13,591,530	93,951,296	-
Guaranteed facilities	99,582,709	99,582,709	12,734,834	3,939,865	12,160,759	68,912,931	1,834,320
Clean line facilities for letters of credit and other commitments	261,208,243	261,208,243	191,336,041	32,234,010	33,458,810	4,179,382	-
Future, swap and forward contracts	933,073,893	933,073,893	277,615,235	195,494,789	347,913,388	112,050,481	-
	<b>1,480,116,563</b>	<b>1,480,116,563</b>	<b>540,082,122</b>	<b>251,981,544</b>	<b>407,124,487</b>	<b>279,094,090</b>	<b>1,834,320</b>



## MARKET RISK MANAGEMENT

Group	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
<b>31 December 2015</b>							
In thousands of Naira							
Cash and balances with banks	478,409,336	478,409,336	228,454,519	-	-	-	249,954,817
Investment under management	10,403,608	10,403,608	10,494,011	-	-	-	-
Non-pledged trading assets							
Treasury bills	50,209,443	51,656,952	7,422,310	9,865,726	34,368,916	-	-
Bonds	2,025,000	3,164,736	124,584	5,988	163,571	1,909,285	961,309
Derivative financial instruments	77,905,020	77,905,020	5,371,017	3,516,433	2,244,002	66,773,568	-
Loans and advances to banks	42,733,910	43,338,836	552,395	-	42,695,369	91,072	-
Loans and advances to customers							
Auto Loan	5,519,049	5,581,949	28,909	63,776	287,331	5,201,934	-
Credit Card	2,851,420	2,882,896	803,177	276,313	101,834	1,701,572	-
Finance Lease	1,812,908	1,821,023	56,182	182,080	362,516	1,220,244	-
Mortgage Loan	24,065,139	24,163,152	2,180	-	106,732	856,528	-
Overdraft	198,503,413	213,485,919	147,864,068	16,685,613	48,936,238	-	23,197,712
Personal Loan	20,183,608	20,393,835	139,043	1,39,052	429,543	19,671,488	14,708
Term Loan	779,021,657	790,496,163	67,248,846	9,265,310	19,751,013	408,178,583	286,052,411
Time Loan	333,873,638	335,494,050	240,187,156	34,055,604	60,381,145	869,501	643
Pledged assets							
Treasury bills	106,934,817	110,634,759	49,586,114	27,376,779	33,671,866	-	-
Bonds	96,780,580	135,824,699	704,048	3,838,702	15,332,749	-	115,949,201
Investment securities							
Available for sale							
Treasury bills	28,996,006	29,103,866	15,298,622	3,309,940	10,495,304	-	-
Bonds	61,204,214	120,505,529	3,081,071	449,198	3,530,269	45,556,113	67,888,878
Held to Maturity							
Treasury bills	7,687,281	8,001,573	1,574,323	2,140,074	4,287,176	-	-
Bonds	43,743,295	55,267,935	1,017,818	2,288,727	2,272,677	39,389,385	10,299,328
Other assets	72,160,739	71,674,061	29,775,314	39,379,530	2,519,217	-	-
	<b>2,445,024,080</b>	<b>2,590,300,300</b>	<b>809,785,707</b>	<b>152,838,845</b>	<b>281,937,468</b>	<b>591,419,273</b>	<b>754,319,007</b>
Deposits from financial institutions	72,914,421	69,670,704	67,440,977	2,229,727	-	-	-
Deposits from customers	1,683,244,320	1,684,671,964	1,550,285,998	77,632,305	56,725,519	28,141	-
Derivative financial instruments	3,077,927	3,077,927	2,450,044	627,883	-	-	-
Other liabilities	65,277,321	65,277,322	65,277,322	-	-	-	-
Debt securities issued	149,853,640	200,147,025	2,528,619	3,687,050	6,215,669	104,308,638	83,407,050
Interest bearing borrowings	231,467,161	241,925,345	2,317,162	3,802,268	6,743,268	55,560,644	173,502,008
	<b>2,205,834,790</b>	<b>2,264,702,287</b>	<b>1,690,300,122</b>	<b>87,979,233</b>	<b>69,684,451</b>	<b>159,897,423</b>	<b>256,909,058</b>
Gap (asset - liabilities)	239,189,290	325,530,013	(880,514,415)	64,859,611	212,253,017	431,521,850	497,409,948
Cumulative liquidity gap			(880,514,415)	(815,654,804)	(603,401,787)	(171,879,937)	325,530,010
Off-balance sheet							
Transaction related bonds and guarantees	221,127,530	221,127,530	109,959,885	13,220,643	49,030,767	28,395,636	20,520,600
Guaranteed facilities	94,135,927	94,135,927	10,271,557	6,217,096	9,469,462	16,627,248	51,550,564
Clean line facilities for letters of credit and other commitments	188,826,683	188,826,683	134,707,635	41,958,728	8,323,794	3,836,525	-
Future, swap and forward contracts	468,759,809	468,759,809	239,324,402	69,995,407	19,930,000	139,510,000	-
	<b>972,849,949</b>	<b>972,849,949</b>	<b>494,263,479</b>	<b>131,391,875</b>	<b>86,754,023</b>	<b>188,369,409</b>	<b>72,071,164</b>

## MARKET RISK MANAGEMENT

### Residual contractual maturities of financial assets and liabilities

Bank	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
<b>31 December 2016</b>							
In thousands of Naira							
Cash and balances with banks	517,997,249	519,266,390	160,192,964	7,247,123	53,642,143	-	298,184,159
Investment under management	14,871,247	14,871,247	10,411,554	4,459,693	-	-	-
Non-pledged trading assets							
Treasury bills	34,381,635	34,029,176	9,040,335	4,866,243	20,122,598	-	-
Bonds	10,188,597	16,619,893	631,976	91,576	718,002	6,761,748	8,416,592
Derivative financial instruments	155,772,662	155,772,662	26,810,280	33,597,108	38,327,725	57,037,549	-
Loans and advances to banks	104,006,574	106,370,619	17,606,339	35,495,655	53,268,624	-	-
Loans and advances to customers							
Auto Loan	4,366,544	4,429,376	349,123	325,117	737,390	3,017,746	-
Credit Card	3,922,377	4,008,296	3,872,947	187	16,538	1,18,623	-
Finance Lease	3,987,898	4,007,259	709,657	370,719	725,035	2,201,848	-
Mortgage Loan	4,996,952	5,072,282	71,128	143,142	36,366	2,588,525	2,233,121
Overdraft	130,285,663	140,086,013	112,363,969	8,168,255	19,374,316	179,472	-
Personal Loan	16,789,104	17,369,909	3,204,315	1,688,986	3,515,034	8,958,819	2,756
Term Loan	1,017,646,255	1,035,301,240	69,817,914	37,847,445	69,867,436	572,754,782	285,013,663
Time Loan	412,567,554	414,563,484	305,093,210	28,655,049	15,934,022	64,881,203	-
Pledged assets							
Treasury bills	188,239,520	209,782,953	40,001,539	74,184,000	95,597,414	-	-
Bonds	126,707,982	210,020,281	1,841,690	7,536,150	12,442,115	53,256,317	134,944,010
Investment securities							
Available for sale							
Treasury bills	40,960,665	47,318,516	2,202,406	9,716,110	35,400,000	-	-
Bonds	21,699,880	38,217,811	477,858	5,278,846	1,616,705	13,114,026	17,730,376
Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	40,363,051	88,365,459	2,217,396	288,326	3,453,755	24,516,142	57,889,841
Other assets	33,265,072	36,232,930	16,057,855	-	2,666,435	17,508,640	-
	<b>2,883,016,480</b>	<b>3,101,705,798</b>	<b>782,974,457</b>	<b>259,959,729</b>	<b>427,461,654</b>	<b>826,895,439</b>	<b>804,414,518</b>
Deposits from financial institutions	95,122,188	93,373,197	88,509,852	4,824,256	39,089	-	-
Deposits from customers	1,813,042,872	1,842,927,520	1,630,445,930	122,969,705	77,445,500	12,066,385	-
Derivative financial instruments	30,275,181	30,275,181	6,150,451	9,070,998	15,053,732	-	-
Other liabilities	105,287,724	105,287,724	29,202,450	64,128,144	11,957,131	-	-
Debt securities issued	243,952,418	336,873,750	8,452,867	14,661,659	313,759,224	-	-
Interest bearing borrowings	372,179,785	426,638,227	8,368,272	11,935,782	91,614,266	95,242,608	219,477,299
Gap (asset - liabilities)	2,659,860,168	2,835,375,599	1,771,129,822	227,590,544	509,868,942	107,308,993	219,477,299
Cumulative liquidity gap	223,156,312	266,330,199	(988,155,365)	32,369,185	(82,407,288)	719,586,446	584,937,220
			(988,155,365)	(955,786,180)	(1,038,193,468)	(318,607,022)	266,330,198
Off-balance sheet							
Transaction related bonds and guarantees	136,163,848	136,163,848	11,965,448	19,613,726	12,336,612	92,248,061	-
Guaranteed facilities	85,513,821	85,513,821	5,276,228	2,913,364	6,576,977	68,912,931	1,834,320
Clean line facilities for letters of credit and other commitments	158,994,793	158,994,793	81,207,362	32,234,010	41,374,039	4,179,382	-
Future, swap and forward contracts	900,436,358	900,436,358	277,615,235	195,494,789	315,275,853	112,050,481	-
	<b>1,281,108,820</b>	<b>1,281,108,820</b>	<b>376,064,274</b>	<b>250,255,889</b>	<b>375,563,481</b>	<b>277,390,855</b>	<b>1,834,320</b>



## MARKET RISK MANAGEMENT

Bank	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
<b>31 December 2015</b>							
In thousands of Naira							
Cash and balances with banks	405,998,636	401,816,737	153,634,261	-	-	-	248,182,476
Investment under management	10,403,608	10,494,011	10,494,011	-	-	-	-
Non-pledged trading assets							
Treasury bills	50,209,443	51,656,952	7,422,310	9,865,726	34,368,916	-	-
Bonds	2,025,000	3,164,736	124,584	5,988	163,571	1,909,285	961,309
Derivative financial instruments	77,852,349	77,852,349	5,318,346	3,516,433	2,244,002	66,773,568	-
Loans and advances to banks	60,414,721	60,604,713	10,074,577	10,506,757	40,023,378	-	-
Loans and advances to customers							
Auto Loan	5,291,292	5,354,193	28,909	63,776	287,331	4,974,178	-
Credit Card	2,812,544	2,844,021	803,177	276,313	62,959	1,701,572	-
Finance Lease	1,812,908	1,821,023	56,182	182,080	362,516	1,220,244	-
Mortgage Loan	4,359,784	4,457,798	2,180	-	106,732	856,528	3,492,357
Overdraft	179,261,680	193,682,273	147,864,068	16,685,613	29,132,592	-	-
Personal Loan	17,863,573	18,073,801	139,043	139,052	429,543	17,351,454	14,708
Term Loan	745,931,312	756,385,987	67,248,846	9,265,310	19,751,013	374,068,077	286,052,411
Time Loan	285,882,216	287,502,627	240,187,156	34,035,604	12,389,723	869,501	643
Pledged assets							
Treasury bills	103,684,044	107,383,986	49,586,114	27,126,779	30,671,093	-	-
Bonds	96,780,580	169,457,311	704,048	3,800,952	15,294,999	33,708,112	115,949,201
Investment securities							
Available for sale							
Treasury bills	10,436,981	10,544,841	5,981,841	-	4,563,000	-	-
Bonds	60,696,103	112,555,700	2,839,003	1,009,124	4,093,208	41,448,736	63,165,630
Held to Maturity							
Treasury bills	40,286,529	64,794,900	487,704	3,088,205	11,416,425	29,203,910	20,598,656
Bonds	69,509,746	69,509,746	27,610,999	-	21,963,481	19,935,266	-
Other assets							
	<b>2,231,513,050</b>	<b>2,409,957,705</b>	<b>730,607,359</b>	<b>119,587,712</b>	<b>227,324,482</b>	<b>594,020,431</b>	<b>738,417,391</b>
Deposits from financial institutions	63,343,785	63,343,785	63,343,785	-	-	-	-
Deposits from customers	1,528,213,883	1,528,213,884	1,404,409,821	67,792,437	55,983,485	28,141	-
Derivative financial instruments	2,416,378	2,416,378	1,842,014	574,364	-	-	-
Other liabilities	62,871,485	62,871,485	62,871,485	-	-	-	-
Debt securities issued	78,516,655	120,096,325	-	3,687,605	3,687,605	112,721,115	-
Interest bearing borrowings	302,919,987	304,300,172	5,384,041	5,929,762	11,546,789	131,499,405	149,940,175
Gap (asset - liabilities)	2,038,282,173	2,081,242,029	1,537,851,146	77,984,168	71,217,879	244,248,661	149,940,175
Cumulative liquidity gap	193,230,877	328,715,676	(807,243,787)	41,603,544	156,106,603	349,771,770	588,477,216
			(807,243,787)	(765,640,243)	(609,533,640)	(259,761,870)	328,715,346
Off-balance sheet							
Transaction related bonds and guarantees	218,067,025	218,067,025	9,862,204	13,220,643	49,030,767	28,395,636	117,557,776
Guaranteed facilities	91,640,933	91,640,933	21,631,289	6,217,096	9,469,462	16,627,248	37,695,838
Clean line facilities for letters of credit and other commitments	160,094,292	160,094,291	105,975,243	41,958,728	8,323,794	3,836,525	-
Future, swap and forward contracts	440,800,900	440,800,900	211,365,494	69,995,407	19,930,000	139,510,000	-
	<b>910,603,150</b>	<b>910,603,150</b>	<b>348,834,229</b>	<b>131,391,875</b>	<b>86,754,023</b>	<b>186,369,409</b>	<b>155,253,614</b>



## MARKET RISK MANAGEMENT

### 5.3.2 Financial instruments below and above 1 year's maturity

Group	December 2016			December 2015		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
In thousands of Naira						
Cash and balances with banks	413,421,081	300,468,024	<b>713,889,105</b>	228,454,519	249,954,817	<b>478,409,336</b>
Investments under management	14,871,247	-	<b>14,871,247</b>	10,403,608	-	<b>10,403,608</b>
Non pledged trading assets						
Treasury bills	34,381,635	-	<b>34,381,635</b>	50,209,443	-	<b>50,209,443</b>
Bonds	1,993	10,245,951	<b>10,247,944</b>	-	2,025,000	<b>2,025,000</b>
Derivative financial instruments	99,005,435	57,037,549	<b>156,042,984</b>	11,131,452	66,773,568	<b>77,905,020</b>
Loans and advances to banks	44,977,056	225,946	<b>45,203,002</b>	42,733,910	-	<b>42,733,910</b>
Loans and advances to customers						
Auto Loan	474,178	3,976,569	<b>4,450,747</b>	375,779	5,143,269	<b>5,519,048</b>
Credit Card	3,873,887	105,348	<b>3,979,235</b>	1,168,446	1,682,974	<b>2,851,420</b>
Finance Lease	373,096	3,614,801	<b>3,987,897</b>	597,611	1,215,297	<b>1,812,908</b>
Mortgage Loan	24,350,127	5,870,430	<b>30,220,556</b>	1,057,524	23,007,615	<b>24,065,139</b>
Overdraft	174,352,829	936,877	<b>175,289,705</b>	198,318,930	-	<b>198,318,930</b>
Personal Loan	1,862,003	16,210,069	<b>18,072,071</b>	699,698	19,483,910	<b>20,183,608</b>
Term Loan	61,000,474	1,027,718,775	<b>1,088,719,248</b>	95,500,227	683,705,912	<b>779,206,138</b>
Time Loan	415,677,251	69,062,457	<b>484,739,709</b>	333,013,239	860,400	<b>333,873,639</b>
Pledged assets						
Treasury bills	188,239,520	-	<b>188,239,520</b>	106,934,817	-	<b>106,934,817</b>
Bonds	11,757,237	114,950,745	<b>126,707,982</b>	11,591,562	85,189,018	<b>96,780,580</b>
Investment securities						
Available for sale						
Treasury bills	69,346,601	-	<b>69,346,601</b>	28,996,006	-	<b>28,996,006</b>
Bonds	4,363,270	28,528,579	<b>32,891,849</b>	2,013,715	59,190,499	<b>61,204,214</b>
Held to Maturity						
Treasury bills	27,350,114	-	<b>27,350,114</b>	7,687,281	-	<b>7,687,281</b>
Bonds	2,199,256	38,901,757	<b>41,101,014</b>	9,735,814	34,007,481	<b>43,743,295</b>
Other assets	22,429,091	19,366,977	<b>41,796,068</b>	44,058,783	28,101,956	<b>72,160,739</b>
	<b>1,614,307,380</b>	<b>1,697,220,854</b>	<b>3,311,528,234</b>	<b>1,184,682,364</b>	<b>1,260,341,716</b>	<b>2,445,024,080</b>
Deposits from financial institutions	167,356,583	-	<b>167,356,583</b>	72,914,421	-	<b>72,914,421</b>
Deposits from customers	2,080,224,795	8,972,491	<b>2,089,197,286</b>	1,683,216,179	28,141	<b>1,683,244,320</b>
Derivative financial instruments	30,444,501	-	<b>30,444,501</b>	3,077,927	-	<b>3,077,927</b>
Debt securities issued	104,164,136	212,380,366	<b>316,544,502</b>	-	149,853,640	<b>149,853,640</b>
Other liabilities	90,980,725	20,136,923	<b>111,117,648</b>	65,277,321	-	<b>65,277,321</b>
Interest-bearing borrowings	13,369,251	286,174,456	<b>299,543,707</b>	18,238,703	213,228,458	<b>231,467,161</b>
	<b>2,548,627,221</b>	<b>747,036,516</b>	<b>3,014,204,227</b>	<b>1,842,724,551</b>	<b>363,110,239</b>	<b>2,205,834,790</b>

## MARKET RISK MANAGEMENT

Bank	December 2016			December 2015		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
In thousands of Naira						
Cash and balances with banks	219,813,090	298,184,159	<b>517,997,249</b>	157,816,159	248,182,477	<b>405,998,636</b>
Investments under management	14,871,247	-	<b>14,871,247</b>	10,403,608	-	<b>10,403,608</b>
Non pledged trading assets						
Treasury bills	34,381,635	-	<b>34,381,635</b>	50,209,443	-	<b>50,209,443</b>
Bonds	1,993	10,186,604	<b>10,188,597</b>	42,554	1,982,446	<b>2,025,000</b>
Derivative financial instruments	98,735,112	57,037,550	<b>155,772,662</b>	11,078,781	66,773,568	<b>77,852,349</b>
Loans and advances to banks	80,951,478	23,055,096	<b>104,006,574</b>	60,414,721		<b>60,414,721</b>
Loans and advances to customers						
Auto Loan	463,459	3,903,085	<b>4,366,544</b>	375,779	4,915,513	<b>5,291,292</b>
Credit Card	3,803,753	118,623	<b>3,922,377</b>	1,129,571	1,682,973	<b>2,812,544</b>
Finance Lease	373,097	3,614,801	<b>3,987,898</b>	597,611	1,215,297	<b>1,812,908</b>
Mortgage Loan	43,792	4,953,160	<b>4,996,952</b>	107,693	4,252,091	<b>4,359,784</b>
Overdraft	130,106,191	179,472	<b>130,285,663</b>	179,261,680	-	<b>179,261,680</b>
Personal Loan	1,286,581	15,502,522	<b>16,789,104</b>	699,698	17,163,875	<b>17,863,573</b>
Term Loan	38,491,569	979,154,686	<b>1,017,646,255</b>	95,315,746	650,615,566	<b>745,931,312</b>
Time Loan	343,535,968	69,031,586	<b>412,567,554</b>	285,021,816	860,400	<b>285,882,216</b>
Pledged assets						
Treasury bills	188,239,520	-	<b>188,239,520</b>	103,684,044		<b>103,684,044</b>
Bonds	11,757,236	114,950,746	<b>126,707,982</b>	11,303,267	85,477,313	<b>96,780,580</b>
Investment securities						
Available for sale						
Treasury bills	40,960,665	-	<b>40,960,665</b>	10,436,981	-	<b>10,436,981</b>
Bonds	4,363,270	17,336,610	<b>21,699,880</b>	1,505,604	59,190,499	<b>60,696,103</b>
Held to Maturity						
Treasury bills	-	-	<b>-</b>	-	-	<b>-</b>
Bonds	2,199,256	38,163,795	<b>40,363,051</b>	9,126,791	31,159,738	<b>40,286,529</b>
Other assets	18,724,289	14,540,783	<b>33,265,072</b>	40,571,033	28,938,714	<b>69,509,747</b>
	<b>1,233,103,201</b>	<b>1,649,913,279</b>	<b>2,883,016,480</b>	<b>1,029,102,584</b>	<b>1,202,410,470</b>	<b>2,231,513,049</b>
Deposits from financial institutions	95,122,188	-	<b>95,122,188</b>	63,343,785	-	<b>63,343,785</b>
Deposits from customers	1,804,070,381	8,972,491	<b>1,813,042,872</b>	1,528,213,883	-	<b>1,528,213,883</b>
Derivative financial instruments	30,275,181	-	<b>30,275,181</b>	2,416,378	-	<b>2,416,378</b>
Debt securities issued	31,572,052	212,380,366	<b>243,952,418</b>	7,375,210	71,141,445	<b>78,516,655</b>
Other liabilities	89,211,697	16,076,027	<b>105,287,724</b>	62,871,485	-	<b>62,871,485</b>
Interest-bearing borrowings	86,005,329	286,174,456	<b>372,179,785</b>	1,008,489	301,911,498	<b>302,919,987</b>
	<b>2,136,256,828</b>	<b>523,603,340</b>	<b>2,659,860,168</b>	<b>1,665,229,230</b>	<b>373,052,943</b>	<b>2,038,282,173</b>



## 6 CAPITAL MANAGEMENT

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- i) To comply with the capital requirements set by the Central Bank;
- ii) To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- iii) To maintain a strong capital base to support the development of its business.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 16% (15% + additional 1%) is to be maintained for deposit money banks designated as significant financial institutions. Following the CBN guideline on regulatory capital computation, the Regulatory Risk Reserve has been excluded from the capital computation. Standardised approach has been adopted in computing the risk weighted assets for Credit, Operational, and Market Risk. The following table provides an overview of the development of the capital ratios and risk-weighted assets (RWA):

The regulatory capital requirements are strictly observed when managing capital. The Bank's regulatory capital is managed by its Bank Treasury and comprises two tiers:

- Tier 1 capital: This includes ordinary share capital, share premium, retained earnings and other reserves excluding regulatory reserves. Intangible assets, deferred tax assets and investment in subsidiaries were also deducted from Tier I capital for capital adequacy purposes; and
- Tier 2 capital: This includes fair value reserves, foreign currency translation reserves with adjustments for investments in subsidiaries.

	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
In thousands of Naira				
<b>Tier 1 capital</b>				
Ordinary share capital	14,463,986	14,463,986	14,463,986	14,463,986
Share premium	197,974,816	197,974,816	197,974,816	197,974,816
Retained earnings	93,614,030	51,730,369	93,329,188	49,459,102
Other reserves	142,194,720	85,863,421	115,910,630	84,662,091
Non-controlling interests	6,247,028	3,899,966	-	-
	<b>454,494,580</b>	<b>353,932,558</b>	<b>421,678,620</b>	<b>346,559,995</b>
Add/(Less):				
Fair value reserve for available-for-sale	(23,240,250)	(13,268,889)	(23,354,093)	(13,291,054)
Foreign currency translational reserves	(11,992,025)	5,570,719	-	-
Other reserves	(1,211,978)	(554,898)	(1,008,118)	(527,331)
<b>Total Tier 1</b>	<b>418,050,326</b>	<b>345,679,491</b>	<b>397,316,409</b>	<b>332,741,610</b>
<b>Add/(Less):</b>				
50% Investments in subsidiaries	-	-	(29,619,626)	(22,719,623)
Deferred tax assets	(1,264,813)	(10,845,612)	-	(10,180,832)
Regulatory risk reserve	(42,932,550)	(39,625,042)	(35,058,266)	(37,826,382)
Intangible assets	(6,939,555)	(6,440,616)	(5,173,784)	(4,977,908)
<b>Adjusted Tier 1</b>	<b>366,913,409</b>	<b>288,768,221</b>	<b>327,464,733</b>	<b>257,036,865</b>
<b>Tier 2 capital</b>				
Debt securities issued	97,600,000	78,516,655	97,600,000	78,516,655
Fair value reserve for available-for-sale securities	23,240,250	13,268,889	23,354,093	13,291,054
Foreign currency translation reserves	11,992,025	(5,570,719)	-	-
Other reserves	1,211,978	554,898	1,008,118	527,331
50% Investments in subsidiaries	-	-	(29,619,626)	(22,719,623)
<b>Total Tier 2</b>	<b>134,044,253</b>	<b>86,769,723</b>	<b>92,342,587</b>	<b>69,615,417</b>
<b>Adjusted Tier 2 capital (33% of Tier 1)</b>	<b>122,292,239</b>	<b>86,769,723</b>	<b>92,342,587</b>	<b>69,615,417</b>
<b>Total regulatory capital</b>	<b>489,205,648</b>	<b>375,537,943</b>	<b>419,807,320</b>	<b>326,652,282</b>
<b>Risk-weighted assets</b>	<b>2,355,526,638</b>	<b>1,996,724,469</b>	<b>2,148,490,422</b>	<b>1,887,612,134</b>
<b>Capital ratios</b>				
Total regulatory capital expressed as a percentage of total risk-weighted assets	20.77%	18.81%	19.54%	17.31%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15.58%	14.46%	15.24%	13.62%

## 7. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis. The Group presents segment information to its Executive Committee, which is the Group's Chief Operating Decision Maker, based on International Financial Reporting Standards.

Basing on the market segment and extent of customer turnover, the group reformed the arrangement of segments from previous years into four operational segments as described below;

- **Corporate and Investment Banking** - The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank's clients as well as relationship banking services to the Bank's financial institutions customers.
- **Commercial Banking** - The commercial banking division has presence in all major cities in the country. It provides commercial banking products and services to the non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.
- **Personal Banking** - The personal banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment. The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad. The division provides financial solutions across various channels (ATM, Mobile banking, etc) and platforms.
- **Business Banking** - The Business banking division is a hybrid of Commercial and Personal Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

All of the Segments reported at the end of the year had its,

- Reported revenue, from both external customers and intersegment sales or transfers, 10 per cent or more of the combined revenue, internal and external, of all operating segments, or

-the absolute measure of its reported profit or loss 10 per cent or more of the greater, in absolute amount, of

(i) the combined reported profit of all operating segments that did not report a loss and

(ii) the combined reported loss of all operating segments that reported a loss, or

-its assets are 10% or more of the combined assets of all operating segments.

Unallocated Segments represents all other transactions that are outside the normal course of business and cannot be directly related to a specific segment financial information.

Thus, in essence, unallocated segments reconcile segment balances to group balances. Material items comprising total assets and total liabilities of the unallocated segments have been outlined below;

Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the income statement.

### Material total assets and liabilities

In thousands of Naira

	Group December 2016	Group December 2015
Other Assets	63,255,054	83,014,503
Deferred tax (net)	1,264,813	10,845,612
Assets Held for Sale	140,727	179,843
Goodwill	681,007	681,007
	<b>65,341,601</b>	<b>94,720,965</b>
Other liabilities	113,571,240	69,355,947
Debt Securities issued	316,544,502	149,853,640
Interest-bearing loans and borrowings	299,543,707	231,467,161
Deferred tax	3,699,050	266,644
Retirement Benefit Obligation	3,075,453	5,567,800
	<b>736,433,952</b>	<b>456,511,192</b>

### Material revenue and expenses

	Group December 2016	Group December 2015
<b>Interest expense</b>		
Interest expense on debt securities issued	(18,369,256)	(12,474,603)

## OPERATING SEGMENTS (continued)

31 December 2016

Corporate &  
Investment  
Banking

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
<b>Revenue:</b>							
Derived from external customers	141,391,638	145,070,057	29,336,906	65,522,183	-	381,320,783	381,320,783
Derived from other business segments	(897)	(2,251)	1,063	2,084	-	-	-
<b>Total Revenue</b>	<b>141,390,741</b>	<b>145,067,806</b>	<b>29,337,969</b>	<b>65,524,267</b>	<b>-</b>	<b>381,320,783</b>	<b>381,320,783</b>
Interest Income	75,569,180	116,850,109	22,723,799	32,143,548	-	247,286,635	247,286,635
Interest expense	(34,582,829)	(38,394,292)	(7,051,917)	(9,740,581)	(18,369,256)	(108,138,875)	(108,138,875)
Impairment Losses	(9,374,089)	(10,448,863)	(1,238,648)	(891,219)	-	(21,952,819)	(21,952,819)
Profit/(Loss) on ordinary activities before taxation	49,260,836	47,314,951	424,158	11,708,767	(18,369,256)	90,339,456	90,339,456
Share of profit from associate	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	(18,900,109)	(18,900,109)
Profit after tax						71,439,347	71,439,347
Other segment information:							
Depreciation and amortisation	(607,070)	(2,279,376)	(4,066,223)	(4,341,123)	-	(11,293,791)	(11,293,791)
<b>Assets and liabilities:</b>							
Loans and Advances to customers	702,318,575	1,028,136,471	66,283,947	57,923,181	-	1,854,662,174	1,854,662,174
Goodwill	-	-	-	-	681,007	681,007	681,007
Tangible segment assets	1,303,757,470	1,886,823,131	121,643,467	106,299,895	-	3,418,523,962	3,418,523,962
Unallocated segment assets	-	-	-	-	65,341,601	65,341,601	65,341,601
<b>Total assets</b>	<b>1,303,757,470</b>	<b>1,886,823,131</b>	<b>121,643,467</b>	<b>106,299,895</b>	<b>65,341,601</b>	<b>3,483,865,563</b>	<b>3,483,865,563</b>
Deposits from customers	480,494,494	970,978,683	243,016,286	394,707,823	-	2,089,197,286	2,089,197,286
Segment liabilities	358,575,114	1,407,188,270	254,397,381	284,733,397	-	2,304,894,163	2,304,894,163
Unallocated segment liabilities	-	-	-	-	724,476,821	724,476,821	724,476,821
<b>Total liabilities</b>	<b>358,575,114</b>	<b>1,407,188,270</b>	<b>254,397,381</b>	<b>284,733,397</b>	<b>724,476,821</b>	<b>3,029,370,984</b>	<b>3,029,370,984</b>
<b>Net assets</b>	<b>945,182,356</b>	<b>479,634,861</b>	<b>(132,753,914)</b>	<b>(178,433,503)</b>	<b>(659,135,220)</b>	<b>454,494,580</b>	<b>454,494,580</b>



**OPERATING SEGMENTS** (continued)

31 December 2015

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
<b>Revenue:</b>							
Derived from external customers	142,760,590	119,234,984	28,183,640	47,225,016	-	337,404,230	337,404,230
Derived from other business segments	(32,954)	18,809	5,723	8,422	-	-	-
<b>Total Revenue</b>	<b>142,727,636</b>	<b>119,253,793</b>	<b>28,189,363</b>	<b>47,233,438</b>	<b>-</b>	<b>337,404,230</b>	<b>337,404,230</b>
Interest Income	72,223,695	86,725,818	19,618,182	29,235,074	-	207,802,768	207,802,768
Interest expense	(34,397,761)	(36,412,832)	(7,314,258)	(11,821,664)	(12,474,603)	(102,421,118)	(102,421,118)
Impairment Losses	(9,218,707)	(2,558,182)	(442,433)	(2,005,393)	-	(14,224,715)	(14,224,715)
Profit/(Loss) on ordinary activities before taxation	60,012,005	31,758,802	(5,097,804)	839,717	(12,474,603)	75,038,117	75,038,117
Share of profit from associate	-	-	-	-	(9,169,344)	(9,169,344)	(9,169,344)
Income tax expense	-	-	-	-	65,868,773	65,868,773	65,868,773
Profit after tax	-	-	-	-	-	(10,098,330)	(10,098,330)
Other segment information:	(549,825)	(2,036,605)	(3,633,139)	(3,878,760)	-	(10,098,330)	(10,098,330)
Depreciation and amortisation	-	-	-	-	-	-	-
<b>Assets and liabilities:</b>							
Loans and Advances to customers	552,849,791	716,514,393	47,951,257	48,515,390	-	1,365,830,831	1,365,830,831
Goodwill	-	-	-	-	681,007	681,007	681,007
Tangible segment assets	1,010,348,609	1,310,332,904	87,691,344	88,723,007	-	2,497,095,864	2,497,095,864
Unallocated segment assets	-	-	-	-	94,234,287	94,234,287	94,234,287
<b>Total assets</b>	<b>1,010,348,609</b>	<b>1,310,332,904</b>	<b>87,691,344</b>	<b>88,723,007</b>	<b>94,234,287</b>	<b>2,591,330,151</b>	<b>2,591,330,151</b>
Deposits from customers	457,760,677	678,870,157	202,449,439	344,164,047	-	1,683,244,320	1,683,244,320
Segment liabilities	480,542,909	712,656,760	212,525,120	361,292,703	-	1,767,017,492	1,767,017,492
Unallocated segment liabilities	-	-	-	-	456,511,195	456,511,195	456,511,195
<b>Total liabilities</b>	<b>480,542,909</b>	<b>712,656,760</b>	<b>212,525,120</b>	<b>361,292,703</b>	<b>456,511,195</b>	<b>2,223,528,687</b>	<b>2,223,528,687</b>
Net assets	529,805,700	597,676,144	(124,833,776)	(272,569,696)	(362,276,908)	367,801,464	367,801,464

**OPERATING SEGMENTS** (continued)**7b Geographical segments**

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

**31 December 2016**

In thousands of Naira

	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Discontinued Operations	Total
Derived from external customers	331,000,972	42,385,383	7,934,428	381,320,783	-	381,320,783
Derived from other segments	-	-	-	-	-	-
<b>Total Revenue</b>	<b>331,000,972</b>	<b>42,385,383</b>	<b>7,934,428</b>	<b>381,320,783</b>	<b>-</b>	<b>381,320,783</b>
Interest Income	210,794,456	10,563,845	25,928,334	247,286,635	-	247,286,635
Impairment Losses	(17,641,128)	(4,311,692)	-	(21,952,819)	-	(21,952,819)
Interest expense	(94,777,050)	(9,086,318)	(4,275,507)	(108,138,875)	-	(108,138,875)
Fee and commission expense	45,992,484	5,372,046	3,499,274	54,863,803	-	54,863,803
<b>Operating Income</b>	<b>236,223,922</b>	<b>33,299,065</b>	<b>3,658,921</b>	<b>273,181,908</b>	<b>-</b>	<b>273,181,908</b>
<b>Profit/(loss) before income tax</b>	<b>80,579,577</b>	<b>5,257,274</b>	<b>4,502,605</b>	<b>90,339,456</b>	<b>-</b>	<b>90,339,456</b>
<b>Assets and liabilities:</b>						
Loans and Advances to customers	1,698,568,920	92,329,154	63,764,101	1,854,662,174	-	1,854,662,174
Non-current assets						
Goodwill	-	681,007	-	681,007	-	681,007
<b>Total assets</b>	<b>3,094,960,515</b>	<b>163,680,065</b>	<b>225,224,983</b>	<b>3,483,865,563</b>	<b>-</b>	<b>3,483,865,563</b>
Deposit from customers	1,813,042,872	204,070,854	72,083,559	2,089,197,286	-	2,089,197,286
<b>Total liabilities</b>	<b>2,673,281,895</b>	<b>155,654,753</b>	<b>200,434,335</b>	<b>3,029,370,984</b>	<b>-</b>	<b>3,029,370,984</b>
Net assets	421,678,620	8,025,311	24,790,648	454,494,580	-	454,494,580



**OPERATING SEGMENTS** (continued)

<b>31 December 2015</b>	<b>Nigeria</b>	<b>Rest of Africa</b>	<b>Europe</b>	<b>Total Continuing Operations</b>	<b>Discontinued Operations</b>	<b>Total</b>
Derived from external customers	302,061,975	28,852,495	6,489,760	337,404,230	-	337,404,230
Derived from other segments	-	-	-	-	-	-
<b>Total Revenue</b>	<b>302,061,975</b>	<b>28,852,495</b>	<b>6,489,760</b>	<b>337,404,230</b>	<b>-</b>	<b>337,404,230</b>
Interest Income	184,047,834	21,084,615	2,670,320	207,802,769	-	207,802,769
Impairment Losses	(13,287,613)	(937,101)	-	(14,224,714)	-	(14,224,714)
Interest expense	(94,001,878)	(5,626,676)	(2,792,564)	(102,421,118)	-	(102,421,118)
Fee and commission expenses	-	-	(151,118)	(151,118)	-	(151,118)
<b>Operating Income</b>	<b>208,060,097</b>	<b>23,225,819</b>	<b>3,697,196</b>	<b>234,983,112</b>	<b>-</b>	<b>234,983,112</b>
Profit/(loss) before income tax	65,169,612	7,279,608	2,588,897	75,038,117	-	75,038,117
<b>Assets and liabilities:</b>						
Loans and Advances to customers	1,243,215,309	79,853,950	42,761,573	1,365,830,832	-	1,365,830,832
Non current assets	70,878,291	8,570,473	321,779	79,770,543	-	79,770,543
Goodwill	-	681,007	-	-	-	-
<b>Total assets</b>	<b>2,408,096,499</b>	<b>110,273,966</b>	<b>72,959,686</b>	<b>2,591,330,151</b>	<b>-</b>	<b>2,591,330,151</b>
Deposit from customers	1,528,213,883	129,457,229	25,573,208	1,683,244,320	-	1,683,244,320
<b>Total liabilities</b>	<b>2,047,932,763</b>	<b>104,726,423</b>	<b>70,869,501</b>	<b>2,223,528,687</b>	<b>-</b>	<b>2,223,528,687</b>
Net assets	360,163,736	5,547,543	2,090,185	367,801,464	-	367,801,464

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the group's total revenue in year ended 31 December 2016 and for the year ended 31 December 2015. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.



## 8 INTEREST INCOME

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Interest income				
Cash and balances with banks	1,929,092	3,694,903	1,328,371	2,502,485
Loans and advances to banks	1,587,816	864,610	149,624	340,830
Loans and advances to customers	198,886,057	158,888,873	172,571,696	142,481,073
Investment securities				
-Available for sale	16,769,084	14,686,495	15,366,667	13,608,530
-Held for trading	7,896,097	13,005,140	7,876,048	13,005,140
-Held to maturity	20,218,489	16,662,747	13,502,050	12,109,776
	<b>247,286,635</b>	<b>207,802,768</b>	<b>210,794,456</b>	<b>184,047,834</b>
Interest expense				
Deposit from financial institutions	7,434,354	8,884,392	6,822,272	6,939,364
Deposit from customers	77,187,483	79,630,442	60,921,911	71,578,103
Debt securities issued	18,369,256	12,474,603	13,569,723	7,321,901
Interest bearing borrowings and other borrowed funds	5,147,782	1,393,690	13,463,144	8,162,510
Securities dealing	-	37,991	-	-
	<b>108,138,875</b>	<b>102,421,118</b>	<b>94,777,050</b>	<b>94,001,878</b>
<b>Net interest income</b>	<b>139,147,760</b>	<b>105,381,650</b>	<b>116,017,406</b>	<b>90,045,956</b>

Interest income for the year ended 31 December 2016 includes interest accrued on impaired financial assets of Group: N2.24Bn (31 December 2015: N2.59Bn) and Bank: N1.74Bn (31 December 2015: N2.57Bn).

The increase in interest income is attributable to the increase in value of loans and advances to customers due to the impact of foreign currency devaluation and repricing.

## 9. Net impairment charge on financial assets

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Additional collective impairment charges on loans and advances to banks(note 22)	(14,300)	(2,745)	(14,300)	(2,745)
Additional collective impairment charges on loans and advances to customers (note 23)	(2,742,435)	(7,193,834)	(2,458,338)	(7,066,882)
Additional specific impairment charges on loans and advances to customers (see note 23)	(17,874,149)	(3,643,214)	(13,846,554)	(2,833,064)
Additional impairment allowance on financial assets in other assets (see note 26)	(1,321,935)	(3,204,542)	(1,321,935)	(3,204,542)
Impairment charge on available for sale	-	(180,380)	-	(180,380)
	<b>(21,952,819)</b>	<b>(14,224,715)</b>	<b>(17,641,127)</b>	<b>(13,287,613)</b>

## 10 FEE AND COMMISSION INCOME

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Credit related fees and commissions	17,921,606	15,032,494	12,487,249	12,829,413
Account maintenance charge and handling commission	2,615,538	3,202,396	2,203,851	2,752,784
Commission on bills and letters of credit	2,930,468	3,449,461	2,632,733	1,229,321
Commission on collections	105,197	571,766	71,022	94,391
Commission on other financial services	3,324,878	2,652,955	1,664,160	1,253,290
Commission on virtual products	4,102,877	2,375,326	3,005,484	1,791,939
Commission on foreign currency denominated transactions	2,819,128	1,908,923	2,569,588	1,831,604
Channels and other E-business income	21,296,440	3,935,825	21,102,094	3,804,380
Retail account charges	324,368	334,741	256,302	305,162
	<b>55,440,500</b>	<b>33,463,887</b>	<b>45,992,484</b>	<b>25,892,284</b>

Credit related fees and commissions are fees charged to corporate customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost.

Channels and other E-business income include income from electronic channels, card products and related services. The increase in channels and other E-business income is a result of increase in volume of e-channel and card transactions.

## 11. NET GAINS ON INVESTMENT SECURITIES

### a. Net gains on financial instruments designated as held for trading

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Fixed income securities	3,257,368	1,626,520	3,219,242	1,561,951
Derivative instruments	50,105,544	52,310,262	50,061,509	52,336,417
	<b>53,362,912</b>	<b>53,936,782</b>	<b>53,280,751</b>	<b>53,898,368</b>

Net gains on financial instruments classified as held for trading includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

Gain on financial instrument relates to fair value increase arising from derivative instruments to which the bank is a party in the normal course of business and are held at fair value. Derivative financial instruments consist of forward, swap and future contracts.

### b. Net gains on financial instruments held as available for sale

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Fixed income securities	1,688,166	8,801,232	1,688,166	8,801,232
<b>Total</b>	<b>1,688,166</b>	<b>8,801,232</b>	<b>1,688,166</b>	<b>8,801,232</b>
	<b>55,051,078</b>	<b>62,738,014</b>	<b>54,968,917</b>	<b>62,699,600</b>

## 12 NET FOREIGN EXCHANGE INCOME/(LOSS)

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Foreign exchange trading income (net)	8,844,295	36,890,498	5,232,111	33,711,384
Unrealised foreign exchange loss on revaluation	(5,246,704)	(10,388,816)	(5,326,545)	(10,506,119)
	<b>3,597,591</b>	<b>26,501,682</b>	<b>(94,434)</b>	<b>23,205,265</b>



### 13. OTHER OPERATING INCOME

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Dividends on available for sale equity securities	860,339	3,734,392	860,339	4,190,824
Gain on disposal of property and equipment	167,340	151,937	143,985	138,975
Rental income	43,839	90,719	36,509	90,719
Bad debt recovered	808,458	1,343,966	631,191	635,355
Cash management charges	265,683	322,248	265,683	322,248
Income from agency and brokerage	191,507	89,093	180,308	89,083
Income from asset management	-	271,124	-	-
Income from other investments	1,258,607	680,008	1,012,251	680,008
Income from disposal of available for sale Investment	16,206,410	-	16,206,410	-
Income from other financial services	142,795	214,392	2,873	69,780
	<b>19,944,978</b>	<b>6,897,879</b>	<b>19,339,549</b>	<b>6,216,992</b>

Included in income from agency and brokerage is an amount of N79.746m representing the referral commission earned from bancassurance products.

The income from sale of other investments represents a gain of N16.2bn on the divestment of the Bank's 17.65 percent equity stake in StanbicBTC Pension Managers. This divestment was done in compliance with the Central Bank of Nigeria's (CBN) directives.

### 14. PERSONNEL EXPENSES

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Wages and salaries	47,950,743	39,187,244	38,824,275	33,636,094
Increase in liability for long term incentive plan (see note 37 (a) (i))	1,196,995	784,305	1,196,995	784,305
Contributions to defined contribution plans (a)	1,586,730	1,811,510	1,247,540	742,746
Restricted Share Performance Plan (b)	1,061,070	563,893	884,777	536,326
	<b>51,795,538</b>	<b>42,346,952</b>	<b>42,153,587</b>	<b>35,699,471</b>

- (a) The increase in the defined contribution plan is due to:
- (i) increase in the rate of the bank's contribution from 7.5% to 10% towards the end of financial year ended 31 December 2015. (see note 3.19(a))
  - (ii) general raise in employees' emoluments during the year.
- (b) Under the Restricted Share Performance Plan (RSPP), shares of the Bank are awarded to employees based on their performance at no cost to them. Under the terms of the plan, the shares vest over a 3 year period from the date of award. The scheme applies to only employees of the Bank that meet the stipulated performance criteria irrespective of where they work within the Group. The RSPP is an equity-settled scheme, where the Bank recognizes an expense and a corresponding increase in equity. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions. By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding twenty (20) per cent of the aggregate emoluments of the Bank's employees in each financial year to purchase shares of the Bank from the floor of the Nigerian Stock Exchange for the purpose of the plan. The Bank has also established a Structured Entity (SE) to hold shares of the Bank purchased. Upon vesting, the SE transfers the shares to the employee whose interest has vested. The SE is consolidated in the Group's financial statements.

- (i) The shares allocated to staff has a contractual vesting period of three (3) years commencing from the year of purchase/allocation to the staff. The group has no legal or constructive obligation to repurchase or settle on a cash basis.
- (ii) The number and weighted-average exercise prices of shares has been detailed in table below;

## Group

Description of shares	December 2016	December 2015	Number of Shares	Weighted Share Price per Share - Naira
	Number of Shares	Weighted Share Price per Share - Naira		
(i) Shares allocated to staff at start of the year;	209,554,491	7.56	77,782,273	10.51
(ii) Shares allocated during the year	349,775,330	5.19	186,657,709	6.90
(iii) Forfeited during the year;	(14,057,608)	5.20	(28,404,021)	9.02
(iv) Exercised during the year;	(41,392,368)	9.76	(26,481,470)	11.50
(v) Shares allocated to staff at end of the year;	503,879,845	5.01	209,554,491	7.56
Shares under the scheme at the end of the year	552,268,754	5.21	219,631,895	7.33
	Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the year	1,061,070	5.01	563,893	7.56

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Vesting period	Expiry date	Shares
Outstanding allocated shares for the 2015 - 2017 vesting period	2015 - 2017	31 Dec 2017	179,213,137
Outstanding allocated shares for the 2016 - 2018 vesting period	2016 - 2018	31 Dec 2018	324,666,708
			503,879,845

## Bank

Description of shares	December 2016		December 2015	
	Number of Shares	Weighted Share Price per Share - Naira	Number of Shares	Weighted Share Price per Share - Naira
(i) Shares allocated to staff at start of the year;	202,485,483	7.56	77,782,273	10.51
(ii) Shares allocated during the year	323,721,330	5.19	168,331,092	6.90
(iii) Forfeited during the year;	(14,057,608)	5.20	(17,146,412)	9.02
(iv) Exercised during the year;	(41,392,368)	9.76	(26,481,470)	11.50
(v) Shares allocated to staff at end of the year;	470,756,837	5.76	202,485,483	7.56
(vi) Shares under the scheme at the end of the year	519,145,746	5.93	219,631,895	7.30
	Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the year	884,777	5.76	536,326	7.56

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Vesting period	Expiry date	Shares
Outstanding allocated shares for the 2015 - 2017 vesting period	2015 - 2017	31 Dec 2017	172,144,129
Outstanding allocated shares for the 2016 - 2018 vesting period	2016 - 2018	31 Dec 2018	298,612,708
			470,756,837



The weighted average remaining contractual life of the outstanding allocated shares is :

	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
<b>Weighted average contractual life of remaining shares</b>	Years 1.64	Years 1.80	Years 1.63	Years 1.78

ii. The average number of persons other than directors, in employment at the Group level during the year comprise:

	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Managerial	307	313	242	257
Other staff	3,797	3,563	2,723	2,540
	<b>4,104</b>	<b>3,876</b>	<b>2,965</b>	<b>2,797</b>

iii. Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Below N900,000	306	182	-	-
N900,001 - N1,990,000	408	78	9	9
N1,990,001 - N2,990,000	158	164	-	-
N2,990,001 - N3,910,000	71	1,098	-	771
N3,910,001 - N4,740,000	1,040	22	1,028	-
N4,740,001 - N5,740,000	21	733	-	666
N5,740,001 - N6,760,000	660	603	648	485
N6,760,001 - N7,489,000	31	35	-	-
N7,489,001 - N8,760,000	481	333	446	317
N8,760,001 - N9,190,000	311	7	306	-
N9,190,001 - N11,360,000	29	194	1	174
N11,360,001 - N14,950,000	296	140	276	118
N14,950,001 - N17,950,000	10	132	-	122
N17,950,001 - N21,940,000	177	63	167	55
N21,940,001 - N26,250,000	43	2	38	-
N26,250,001 - N30,260,000	3	45	-	42
N30,261,001 - N45,329,000	44	34	37	32
Above N45,329,000	15	11	9	6
	<b>4,104</b>	<b>3,876</b>	<b>2,965</b>	<b>2,797</b>

## 15 OTHER OPERATING EXPENSES

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Premises and equipment costs	8,170,973	7,824,339	6,627,493	6,968,940
Professional fees	2,119,700	3,379,829	1,558,808	1,988,530
Insurance	1,093,148	1,532,297	893,562	786,912
Business travel expenses	6,980,197	5,493,383	6,442,064	5,280,043
Asset Management Corporation of Nigeria (AMCON) surcharge (see note (a) below)	12,059,720	9,909,779	12,059,720	9,909,779
Deposit insurance premium	6,002,813	5,315,812	6,002,813	5,315,812
Auditor's remuneration	460,182	378,789	350,000	300,000
Administrative expenses	16,513,674	11,636,026	15,347,843	11,011,901
Board expenses	526,108	378,690	386,684	368,473
Communication expenses	2,523,023	3,635,731	1,698,749	3,521,714
Consultancy and IT expenses	13,983,760	12,873,441	12,246,639	9,056,513
Outsourcing costs	7,626,411	8,016,460	6,750,086	7,997,658
Advertisements and marketing expenses	4,211,075	6,524,647	3,771,607	6,493,271
Recruitment and training	1,639,273	1,861,726	1,342,458	1,822,435
Events, charities and sponsorship	2,618,909	3,693,924	2,447,297	3,685,736
Periodicals and subscriptions	1,007,974	645,417	869,154	638,090
Security expenses	3,104,455	3,574,685	2,691,644	3,548,163
Cash processing and management cost	1,671,083	1,224,895	1,548,319	1,224,895
Stationeries, postage and printing	1,576,253	1,486,600	1,205,990	1,486,600
Office provisions and entertainment	475,289	337,893	297,801	337,893
Net litigations claims (see note 34(i))	49,496	909,660	49,496	909,660
	<b>94,413,516</b>	<b>91,384,023</b>	<b>84,588,227</b>	<b>83,403,018</b>

(a) This represents the Group's contribution to AMCON's sinking fund for the year ended 31 December 2016. Effective 1 January 2011, the banks in Nigeria were required to contribute 0.3% of total assets as at the preceding year end to AMCON's sinking fund in line with existing guidelines. This was increased to 0.5% in 2013. The contribution to AMCON is a levy on all deposit money banks in Nigeria. It is non-refundable and does not represent any ownership interest nor does it confer any rights or obligations (save to pay the levy) on the contributor.

## 16. INCOME TAX EXPENSE

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Current tax expense</b>				
Corporate income tax	6,096,035	7,841,533	3,571,312	5,207,035
IT tax	805,796	643,078	805,796	643,078
Education tax	-	-	-	-
Capital gains tax	3,808	511	3,808	511
Prior year's under provision	-	-	-	-
	6,905,639	8,485,122	4,380,916	5,850,624
<b>Deferred tax expense</b>				
Origination of temporary differences	11,994,470	684,222	12,172,525	402,545
<b>Income tax expense</b>	<b>18,900,109</b>	<b>9,169,344</b>	<b>16,553,441</b>	<b>6,253,169</b>



The movement in the current income tax liability is as follows:

	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
Balance at the beginning of the year	7,780,824	8,180,969	6,442,311	7,113,226
Tax paid	(8,007,140)	(6,259,617)	(5,222,302)	(4,125,701)
Income tax charge	6,905,639	8,485,122	4,380,916	5,850,624
Withholding tax utilisation	(596,764)	(2,395,838)	(596,763)	(2,395,838)
Reclassifications	-	(83,009)	-	-
Translation adjustments	(143,897)	(129,492)	-	-
Income tax receivable	-	(17,311)	-	-
<b>Balance at the end of the year</b>	<b>5,938,662</b>	<b>7,780,824</b>	<b>5,004,160</b>	<b>6,442,311</b>

Income tax liability is to be settled within one year

In thousands of Naira

	<b>Group December 2016</b>	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Group December 2015</b>
Profit before income tax		90,339,456		75,038,117
Income tax using the domestic tax rate	30%	27,101,837	30%	22,511,435
Effect of tax rates in foreign jurisdictions	0%	(399,963)	0%	-
Information technology tax	1%	805,796	1%	643,078
Capital allowance utilised for the year	0%	-	0%	-
Non-deductible expenses	20%	18,083,506	39%	29,584,951
Tax exempt income	-36%	(32,335,829)	-66%	(49,475,519)
Tax losses unutilised	0%	-	1%	697,854
Capital gain tax	0%	3,808	0%	510
Impact of dividend as tax base	6%	5,640,954	7%	5,207,035
<b>Effective tax rate</b>	<b>21%</b>	<b>18,900,109</b>	<b>12%</b>	<b>9,169,344</b>

In thousands of Naira

	<b>Bank December 2016</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>	<b>Bank December 2015</b>
Profit before income tax	-	80,579,576	-	65,177,914
Income tax using the domestic tax rate	30%	24,173,873	30%	19,553,374
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	805,796	1%	643,078
Non-deductible expenses	23%	18,188,958	43%	28,315,770
Tax exempt income	-40%	(32,259,947)	-73%	(47,466,598)
Education tax levy	0%	-	0%	-
Capital gain tax	0%	3,808	0%	510
Over provided in prior years	0%	-	0%	-
Impact of dividend as tax base	7%	5,640,953	8%	5,207,035
<b>Effective tax rate</b>	<b>21%</b>	<b>16,553,441</b>	<b>10%</b>	<b>6,253,169</b>

## 17. EARNINGS PER SHARE

### (a) Basic from continuing operations

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Profit for the year from continuing operations	71,117,025	65,332,540	64,026,135	58,924,745
Weighted average number of ordinary shares in issue	28,927,972	24,897,936	28,927,972	24,897,936
Weighted average number of treasury Shares	461,618	240,850	-	-
	28,466,354	24,657,086	28,927,972	24,897,936
In kobo per share				
Basic earnings per share from continuing operations	<b>250</b>	<b>265</b>	<b>221</b>	<b>237</b>

Diluted earnings per share is calculated by considering the impact of the treasury shares in weighted average number of ordinary shares outstanding

Potential Diluted EPS	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
In thousands of Naira				
Profit for the year from continuing operations	71,117,025	65,332,540	64,026,135	58,924,745
Weighted average number of ordinary shares in issue	28,927,972	24,897,936	28,927,972	24,897,936
In kobo per share				
Diluted earnings per share from continuing operations	<b>246</b>	<b>262</b>	<b>221</b>	<b>237</b>

## 18 Cash and balances with banks

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Cash on hand and balances with banks (see note (i))	115,380,195	85,299,149	106,594,205	57,546,509
Restricted deposits with central banks (see note (ii))	250,831,529	249,954,817	248,547,664	248,182,477
Unrestricted balances with central banks	139,954,922	90,721,388	33,160,736	74,158,434
Money market placements	119,826,012	52,433,982	41,798,197	26,111,216
Other deposits with central banks (see note (iii))	87,896,447	-	87,896,447	-
	<b>713,889,105</b>	<b>478,409,336</b>	<b>517,997,249</b>	<b>405,998,636</b>

- (i) Included in cash on hand and balances with banks is an amount of N46.956Bn (31 Dec 2015: N6.567Bn) representing the Naira value of foreign currencies held on behalf of customers to cover letter of credit transactions. The corresponding liability is included in customer's deposit for foreign trade reported under other liabilities (see Note 34). This has been excluded for cash flow purposes.
- (ii) Restricted deposits with central banks comprise the cash reserve requirements of the Central Bank of Nigeria and other central banks of jurisdictions that the group operates in. These balances are not available for day to day operations of the group.
- (ii) Other deposits with central banks comprise a special intervention fund with the Central Bank of Nigeria of N49.6Bn introduced in January 2016 as a reduction in the cash reserve ratio with a view of channeling the reduction to financing the real sector. The special intervention fund is restricted and not available for day to use by the Bank. The balance of N38.26Bn represents the nominal value held for outstanding forward contracts entered on behalf of customers with Central Bank of Nigeria.



## 19 INVESTMENT UNDER MANAGEMENT

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Relating to unclaimed dividends</b>				
Call Deposits and Cash	-	918	-	918
Placements	1,070,385	4,926,562	1,070,385	4,926,562
Commercial Paper	6,454,067	304,378	6,454,067	304,378
Nigerian Treasury Bills	2,887,102	3,090,432	2,887,102	3,090,432
Mutual Funds	2,629,693	2,081,318	2,629,693	2,081,318
Eurobonds	1,830,000	-	1,830,000	-
	<b>14,871,247</b>	<b>10,403,608</b>	<b>14,871,247</b>	<b>10,403,608</b>

The Bank entrusted the sum transferred to it by the Registrars in respect of unclaimed dividends with select Asset Managers who will ensure safekeeping and manage the funds for the benefit of the Bank. The investments by the Asset Managers are as listed above (the corresponding liability which is due to the Registrar is reported in Other liabilities. See note 34).

## 20 NON PLEDGED TRADING ASSETS

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Government bonds	10,170,293	1,961,355	10,170,293	1,961,355
Eurobonds	18,304	63,645	18,304	63,645
Treasury bills	34,381,635	50,209,443	34,381,635	50,209,443
Equity securities	59,348	63,979	59,348	63,979
	<b>44,629,579</b>	<b>52,298,422</b>	<b>44,629,579</b>	<b>52,298,422</b>

## 21 DERIVATIVE FINANCIAL INSTRUMENTS

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
Group	December 2016		December 2015	
Foreign exchange derivatives				
Total derivative assets	<b>709,617,853</b>	<b>156,042,984</b>	<b>347,991,933</b>	<b>77,905,020</b>
Non-deliverable Future contracts	390,410,492	65,280,723	-	-
Forward and Swap contract	319,207,362	90,762,261	347,991,933	77,905,020
Total derivative liabilities	223,456,040	(30,444,501)	120,767,876	(3,077,927)
Non-deliverable Future contracts	41,349,705	(10,668,411)	-	-
Forward and Swap contract	182,106,335	(19,776,089)	120,767,876	(3,077,927)

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
		December 2016		December 2015
	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
<b>Bank</b>	<b>December 2016</b>		<b>December 2015</b>	
Foreign exchange derivatives				
Total derivative assets	<b>698,771,698</b>	<b>155,772,662</b>	<b>340,643,495</b>	<b>77,852,349</b>
Non-deliverable Future contracts	319,207,362	65,280,723	-	-
Forward and Swap contracts	379,564,336	90,491,939	340,643,495	77,852,349
Total derivative liabilities	<b>201,664,660</b>	<b>(30,275,181)</b>	<b>100,157,405</b>	<b>(2,416,378)</b>
Non-deliverable Future contracts	41,349,705	(10,668,411)	-	-
Forward and Swap contracts	160,314,955	(19,606,770)	100,157,405	(2,416,378)

Derivative financial instruments consist of forward and swap contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates of between 30 days and two years. All derivative contracts are considered to be valued with reference to market data obtained from FMDQ.

Included in Other liabilities are security deposit for Swap deals which are deposit (collateralised deposit) by counter parties.

The movement in fair value is as a result of the depreciation of the functional currency of the group (Naira) within the year and volume of transaction.

## 22 LOANS AND ADVANCES TO BANKS

In thousands of Naira	Group	Group	Bank	Bank
	December 2016	December 2015	December 2016	December 2015
Loans and advances to banks	45,226,388	42,742,996	104,029,960	60,423,807
Less collective allowances for impairment	(23,386)	(9,086)	(23,386)	(9,086)
	<b>45,203,002</b>	<b>42,733,910</b>	<b>104,006,574</b>	<b>60,414,721</b>

Collective allowances for impairment on loans and advances to banks

In thousands of Naira	Group	Group	Bank	Bank
	December 2016	December 2015	December 2016	December 2015
Balance beginning of year	9,086	6,341	9,086	6,341
- Charge for the year	14,300	2,745	14,300	2,745
Balance end of year	23,386	9,086	23,386	9,086



## 23 LOANS AND ADVANCES TO CUSTOMERS

### a Group

<b>December 2016</b>	<b>Gross amount</b>	<b>Specific impairment allowance</b>	<b>Collective impairment allowance</b>	<b>Total impairment allowance</b>	<b>Carrying amount</b>
In thousands of Naira					
<b>Loans to individuals</b>					
Retail Exposures					
Auto Loan (note 23c)	2,511,013	-	(42,628)	(42,628)	2,468,384
Credit Card	3,475,443	(4,367)	(58,216)	(62,583)	3,412,860
Finance Lease (note 23c)	60,912	-	(1,053)	(1,053)	59,859
Mortgage Loan	24,375,564	-	(79,867)	(79,867)	24,295,697
Overdraft	5,639,049	(264,216)	(538,680)	(802,896)	4,836,153
Personal Loan	18,754,870	(286,847)	(395,950)	(682,798)	18,072,072
Term Loan	6,964,075	-	(46,451)	(46,451)	6,917,624
Time Loan	721,711	-	(11,667)	(11,667)	710,044
<b>Loans to corporate entities and other organizations</b>					
Non-Retail Exposures					
Auto Loan (note 23c)	2,003,352	-	(20,988)	(20,988)	1,982,363
Credit Card	576,553	-	(10,178)	(10,178)	566,375
Finance Lease (note 23c)	3,946,347	-	(18,308)	(18,308)	3,928,038
Mortgage Loan	5,929,037	-	(4,176)	(4,176)	5,924,860
Overdraft	181,242,213	(8,677,151)	(2,111,510)	(10,788,661)	170,453,552
Term Loan	1,102,912,471	(5,523,054)	(15,587,792)	(21,110,846)	1,081,801,625
Time Loan	486,052,855	(92)	(2,023,099)	(2,023,191)	484,029,663
	<b>1,845,165,464</b>	<b>(14,755,727)</b>	<b>(20,950,565)</b>	<b>(35,706,291)</b>	<b>1,809,459,172</b>

### Group

<b>December 2015</b>	<b>Gross amount</b>	<b>Specific impairment allowance</b>	<b>Collective impairment allowance</b>	<b>Total impairment allowance</b>	<b>Carrying amount</b>
In thousands of Naira					
<b>Loans to individuals</b>					
Retail Exposures					
Auto Loan (note 23c)	2,175,207	-	(25,446)	(25,446)	2,149,761
Credit Card	2,608,764	-	(28,629)	(28,629)	2,580,135
Finance Lease (note 23c)	-	-	-	-	-
Mortgage Loan	17,954,586	-	(51,306)	(51,306)	17,903,280
Overdraft	5,261,080	(250,624)	(543,561)	(794,185)	4,466,895
Personal Loan	20,393,836	-	(210,228)	(210,228)	20,183,608
Term Loan	4,777,259	-	(74,834)	(74,834)	4,702,425
Time Loan	799,692	-	(7,174)	(7,174)	792,518
<b>Loans to corporate entities and other organizations</b>					
Non-Retail Exposures					
Auto Loan (note 23c)	3,406,742	-	(37,455)	(37,455)	3,369,287
Credit Card	274,133	-	(2,848)	(2,848)	271,285
Finance Lease (note 23c)	1,821,023	-	(8,115)	(8,115)	1,812,908
Mortgage Loan	6,208,567	(46,391)	(317)	(46,708)	6,161,859
Overdraft	208,224,839	(7,574,569)	(6,798,235)	(14,372,804)	193,852,035
Term Loan	785,921,553	(2,162,757)	(9,255,082)	(11,417,837)	774,503,714
Time Loan	334,694,358	(448,337)	(1,164,900)	(1,613,237)	333,081,121
	<b>1,394,521,639</b>	<b>(10,482,678)</b>	<b>(18,208,130)</b>	<b>(28,690,806)</b>	<b>1,365,830,831</b>

## Impairment on loans and advances to customers

In thousands of Naira	Specific allowances		Collective allowances	
	December 2016	December 2015	December 2016	December 2015
Balance beginning of year	10,482,678	7,967,529	18,208,130	11,014,296
Impairment loss for the year:				
- Charge for the year	17,874,149	3,643,214	2,742,435	7,193,834
Write-offs	(13,601,100)	(1,128,065)	-	-
<b>Balance end of year</b>	<b>14,755,727</b>	<b>10,482,678</b>	<b>20,950,565</b>	<b>18,208,130</b>

## 23 LOANS AND ADVANCES TO CUSTOMERS

### b. Bank

December 2016	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
In thousands of Naira					
<b>Loans to individuals</b>					
Retail Exposures					
Auto Loan (note 23c)	2,426,024	-	(41,976)	(41,976)	2,384,048
Credit Card	3,431,339	(4,367)	(57,775)	(62,142)	3,369,197
Finance Lease (note 23c)	60,912	-	(1,053)	(1,053)	59,859
Mortgage Loan	5,053,845	-	(75,135)	(75,135)	4,978,710
Overdraft	5,033,990	(115,021)	(515,982)	(631,003)	4,402,987
Personal Loan	17,369,909	(285,812)	(294,993)	(580,805)	16,789,104
Term Loan	2,427,653	-	(42,759)	(42,759)	2,384,894
Time Loan	586,532	-	(10,139)	(10,139)	576,394
<b>Loans to corporate entities and other organizations</b>					
Non-Retail Exposures					
Auto Loan (note 23c)	2,003,352	-	(20,856)	(20,856)	1,982,496
Credit Card	563,357	-	(10,178)	(10,178)	553,179
Finance Lease (note 23c)	3,946,347	-	(18,308)	(18,308)	3,928,038
Mortgage Loan	18,437	-	(195)	(195)	18,242
Overdraft	135,065,623	(7,573,737)	(1,609,209)	(9,182,946)	125,882,676
Term Loan	1,032,873,587	(2,105,378)	(15,506,849)	(17,612,227)	1,015,261,361
Time Loan	413,976,952	-	(1,985,792)	(1,985,792)	411,991,160
	<b>1,624,837,859</b>	<b>(10,084,316)</b>	<b>(20,191,198)</b>	<b>(30,275,514)</b>	<b>1,594,562,345</b>



## Bank

December 2015 In thousands of Naira	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
<b>Loans to individuals</b>					
Retail Exposures					
Auto Loan (note 23c)	1,976,020	-	(25,446)	(25,446)	1,950,574
Credit Card	2,579,265	-	(28,629)	(28,629)	2,550,636
Finance Lease (note 23c)	-	-	-	-	-
Mortgage Loan	4,383,538	-	(51,306)	(51,306)	4,332,232
Overdraft	5,054,135	(250,624)	(503,788)	(754,412)	4,299,723
Personal Loan	18,073,801	-	(210,228)	(210,228)	17,863,573
Term Loan	3,066,501	-	(35,061)	(35,061)	3,031,440
Time Loan	640,645	-	(7,174)	(7,174)	633,471
<b>Loans to corporate entities and other organizationsNon-Retail Exposures</b>					
Non-Retail Exposures					
Auto Loan (note 23c)	3,378,173	-	(37,455)	(37,455)	3,340,718
Credit Card	264,756	-	(2,848)	(2,848)	261,908
Finance Lease (note 23c)	1,821,023	-	(8,115)	(8,115)	1,812,908
Mortgage Loan	74,260	(46,391)	(317)	(46,708)	27,552
Overdraft	188,628,138	(7,027,040)	(6,639,141)	(13,666,181)	174,961,957
Term Loan	753,319,155	(1,400,831)	(9,018,452)	(10,419,283)	742,899,872
Time Loan	286,861,982	(448,337)	(1,164,900)	(1,613,237)	285,248,745
	<b>1,270,121,392</b>	<b>(9,173,223)</b>	<b>(17,732,860)</b>	<b>(26,906,083)</b>	<b>1,243,215,309</b>

## Impairment on loans and advances to customers

In thousands of Naira	Specific Impairment December 2016	December 2015	December 2016	Collective Impairment December 2015
Balance beginning of year	9,173,223	6,340,159	17,732,860	10,665,978
Impairment loss for the year:				
- Charge for the year	13,846,554	2,833,064	2,458,338	7,066,882
Write-offs	(12,935,461)	-	-	-
Balance end of year	<b>10,084,316</b>	<b>9,173,223</b>	<b>20,191,198</b>	<b>17,732,860</b>

### 23 (c) Advances under finance leases

Loans and advances to customers at amortised cost include the following finance lease receivables for leases of certain property and equipment where the group is the lessor:

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Gross investment in finance lease, receivable				
Unearned finance income on finance leases	10,459,206 (1,937,583)	9,034,595 (1,631,622)	10,327,104 (1,890,469)	8,728,141 (1,552,925)
Net investment in finance leases	<b>8,521,623</b>	<b>7,402,973</b>	<b>8,436,635</b>	<b>7,175,216</b>
Gross investment in finance leases, receivable:				
Less than one year	2,217,863	4,094,867	2,286,156	3,932,588
Between one and five years	7,976,709	4,939,727	7,782,749	4,795,553
Later than five years	264,635	-	258,199	-
Unearned finance income on finance leases	(1,937,583)	(1,631,622)	(1,890,469)	(1,552,925)
Present value of minimum lease payments	<b>8,521,623</b>	<b>7,402,972</b>	<b>8,436,635</b>	<b>7,175,216</b>
Present value of minimum lease payments may be				
- Less than one year	2,018,383	3,230,261	2,091,526	3,108,297
- Between one and five years	6,215,439	4,172,712	6,064,306	4,066,919
- Later than five years	287,801	-	280,803	-
<b>24 PLEDGED ASSETS</b>				
In thousands of Naira				
Treasury bills	188,239,520	106,934,817	188,239,520	103,684,044
Government bonds	126,707,982	96,780,580	126,707,982	96,780,580
	<b>314,947,502</b>	<b>203,715,397</b>	<b>314,947,502</b>	<b>200,464,624</b>
The related liability for assets pledged as collateral				
Bank of Industry (BOI)	39,566,300	29,227,231	39,566,300	29,227,231

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. Also included in pledged assets are assets pledged as collateral or security deposits to clearing house and payment agencies of N17.58bn (31 December 2015: N25.78Bn) for which there is no related liability. The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets.



## 25 INVESTMENT SECURITIES

### Available for sale investment securities

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Debt securities</b>				
Government bonds	26,699,706	51,205,831	15,507,737	51,205,831
Treasury bills	69,346,601	28,996,006	40,960,665	10,436,981
Eurobonds	2,760,661	6,524,859	2,760,661	6,016,748
Corporate bonds	3,431,482	3,473,524	3,431,482	3,473,524
<b>Equity securities</b>				
Equity securities with readily determinable fair values (i)	58,667,555	44,772,710	58,420,406	44,755,565
Unquoted equity securities at cost	3,145,697	3,145,697	3,145,697	3,145,697
	164,051,703	138,118,627	124,226,649	119,034,346
Specific allowance for impairment on available for sale investments	(3,389,059)	(3,326,077)	(3,389,059)	(3,326,077)
	<b>160,662,644</b>	<b>134,792,550</b>	<b>120,837,590</b>	<b>115,708,269</b>

The fair value of the unquoted equity securities carried at cost cannot be reliably estimated as there are no active market for these financial instruments; they have therefore been disclosed at cost less impairment. These equity investments have been fully impaired and has a nil balance in the group financial statement.

#### (i) Equity securities with readily determinable fair values (carrying amount)

MTN Nigeria	7,451,138	8,317,689	7,451,138	8,317,689
Central securities clearing system limited	1,559,612	1,775,756	1,559,612	1,775,756
Nigeria interbank settlement system plc.	1,175,570	1,027,168	1,175,570	1,027,168
IBTC pension managers limited	-	1,144,748	-	1,144,748
Unified payment services limited	2,340,346	2,518,309	2,340,346	2,518,309
Africa finance corporation	44,230,177	28,658,942	44,230,177	28,658,942
Juli pharmacy plc	-	11,358	-	11,358
E-Tranzact	1,147,387	729,738	1,147,387	729,738
African export-import bank	10,754	2,675	10,754	2,675
FMDQ OTC Plc	130,610	147,746	130,610	137,746
Nigerian mortgage refinance company plc.	93,186	200,000	93,186	200,000
Credit reference company	281,626	231,436	281,626	231,436
Others	247,149	7,145	-	-
	58,667,555	44,772,710	58,420,406	44,755,565

### Held to maturity investment securities

In thousands of Naira

<b>Debt securities</b>				
Treasury bills	27,350,114	7,687,281	-	-
Federal government bonds	31,754,372	31,962,858	31,016,409	31,044,676
State government bonds	5,276,855	6,550,060	5,276,855	6,550,060
Corporate bonds	1,624,228	3,580,595	1,624,228	1,684,150
Eurobonds	2,445,558	1,649,782	2,445,558	1,007,643
	68,451,128	51,430,576	40,363,051	40,286,529
<b>Total</b>	<b>229,113,772</b>	<b>186,223,126</b>	<b>161,200,642</b>	<b>155,994,798</b>

### Specific allowance for impairment on available for sale investment securities at cost

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Balance, beginning of year	3,326,077	3,145,697	3,326,077	3,145,697
Additional allowance	-	180,380	-	180,380
Allowance written off	(21,358)	-	(21,358)	-
Revaluation difference	84,339	-	84,339	-
Balance, end of year	<b>3,389,059</b>	<b>3,326,077</b>	<b>3,389,059</b>	<b>3,326,077</b>

### 26 OTHER ASSETS

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Financial assets</b>				
Accounts receivable	23,063,084	37,555,560	13,804,165	34,067,809
Receivable on E-business channels	2,333,865	9,163,800	2,253,689	9,163,800
Receivable from disposal of Non-current asset	19,341,974	22,578,046	19,341,974	22,578,046
Receivable from AMCON	-	5,498,909	-	5,498,909
Subscription for investment	25,004	25,001	833,101	861,759
	44,763,926	74,821,316	36,232,930	72,170,323
<b>Non-financial assets</b>				
Prepayments	20,751,237	10,234,249	16,668,917	8,494,119
Inventory	707,748	619,515	660,491	619,516
	21,458,986	10,853,764	17,329,408	9,113,635
<b>Gross other assets</b>				
	66,222,912	85,675,080	53,562,338	81,283,958
Allowance for impairment on financial assets				
Accounts receivable	(2,942,857)	(2,635,576)	(2,942,857)	(2,635,576)
Subscription for investment	(25,001)	(25,001)	(25,001)	(25,001)
	<b>63,255,054</b>	<b>83,014,503</b>	<b>50,594,480</b>	<b>78,623,381</b>

Movement in allowance for impairment on other assets:

In thousands of Naira	Group Accounts Receivable	Group subscription for investments	Bank Accounts Receivable	Bank subscription for investments
Balance as at 1 January 2015	22,296,170	25,001	22,296,170	25,001
Impairment loss for the year:				
- Additional provision	3,204,542	-	3,204,542	-
Net impairment	3,204,542	-	3,204,542	-
Allowance written off	(22,865,136)	-	(22,865,136)	-
Balance as at 31 December 2015/1 January 2016	2,635,576	25,001	2,635,576	25,001
Impairment loss for the year:				
- Additional provision	1,321,936	-	1,321,936	-
Net impairment	1,321,936	-	1,321,936	-
Allowance written off	(1,016,504)	-	(1,016,504)	-
Translation difference	1,849	-	1,849	-
Balance as at 31 December 2016	2,942,857	25,001	2,942,857	25,001



Inventory consists of blank debit cards, cheque leaves, computer consumables and other stationery held by the Bank.

Increase in prepayments resulted from services that have been paid in advance for the year for which the amortization will be over the relevant period of service. These include rents and advertisements.

Receivable from AMCON represents a receivable from the Asset Management Corporation of Nigeria (AMCON) in connection with the acquisition of Intercontinental bank in line with the Transaction Implementation Agreement (TIA) entered with the bank. The receivable is expected to be settled via consideration such as Cash and Bonds issued by AMCON.

## 27 (A) SUBSIDIARIES (WITH CONTINUING OPERATIONS)

### (i) Group entities

Set out below are the group's subsidiaries as at 31 December 2016. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances

	Nature of business	Country of incorporation	Ownership interest	
			December 2016	December 2015
Access Bank Gambia Limited	Banking	Gambia	64%	64%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	97%	97%
Access Bank Rwanda Limited	Banking	Rwanda	75%	75%
Access Bank Zambia	Banking	Zambia	92%	92%
The Access Bank UK	Banking	United Kingdom	100%	100%
Access Bank R.D. Congo	Banking	Congo	74%	74%
Access Bank Ghana	Banking	Ghana	91%	92%
Access Finance B.V.	Banking	Netherlands	100%	100%

Access Finance B.V. was incorporated in 2011 and commenced operations in 2012. An obligation also exists between the Bank and Access Finance B.V., for which Access Finance B.V. lent to the Bank the sum of USD 2,462,000 as a share premium loan. The loan agreement between both parties however permits that the obligation of Access Finance B.V. to grant the loan, be set off against the obligation of the Bank to repay the loan such that each party's obligation either as a borrower or lender is discharged. In view of this, no loan payable has been recognized in the Bank's financial statements.

The transaction for which the entity was set up will mature in 2017. Management has not decided on the possibility of the entity existing beyond the maturity of the obligation.

During the period, Access Bank Ghana raised additional capital through a public offer. Consequently, this caused a dilution in the Bank's share of ownership and an increase in non controlling interest.

(ii) Structured entities:	Nature of business	Country of incorporation	Ownership interest	
			December 2016	December 2015
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%



## 27(B) INVESTMENT IN SUBSIDIARIES

In thousands of Naira	Bank December 2016	Bank December 2015
<b>Subsidiaries with continuing operations</b>		
Access Bank, UK (a)	29,104,081	18,501,269
Access Bank, Ghana (a)	15,558,107	13,704,428
Access Bank Rwanda	1,578,825	1,578,825
Access Bank, Congo	2,779,650	2,779,650
Access Bank, Zambia	4,274,925	4,274,925
Access Bank, Gambia	1,853,756	1,853,756
Access Bank, Sierra Leone	1,019,951	1,019,951
Investment in RSPP scheme	3,065,865	1,722,350
Access Bank Finance B.V. (b)	4,092	4,092
<b>Subsidiaries undergoing liquidation</b>		
Flexmore Technologies Limited	-	100,000
	59,239,252	45,539,246
Specific allowances for impairment on investment in subsidiaries	-	(100,000)
Balance, end of year	<b>59,239,252</b>	<b>45,439,246</b>

(a) During the year, the Bank made additional investments of GBP25m and USD 6.07m in Access Bank UK and Access Bank Ghana respectively.

### Specific allowances for impairment on investment in subsidiaries

In thousands of Naira	Bank December 2016	Bank December 2015
Balance, beginning of year	100,000	100,000
Allowance written off	(100,000)	-
Balance, end of year	-	100,000

Based on the contractual arrangements between the Group and the shareholders in each of the entities, the Group has the power to appoint and remove the majority of the board of Directors of each entity.

The relevant activities of each of the listed subsidiaries are determined by the Board of Directors of each entity based on simple majority shares. Therefore, the directors of the Group concluded that the Group has control over each of the above listed entities and were consolidated in the group financial statements.

On 13 April 2016, the Corporate Affairs Commission (CAC) gave approval for the liquidation of Flexmore Technologies Limited with a three month notice period starting 1 April 2016. At the expiration of the notice period, the Bank liquidated the entity and consequently wrote off the investment.

## 27 (C) CONDENSED RESULTS OF CONSOLIDATED ENTITIES REPORT- ABSOLUTE

(i) The condensed financial data of the consolidated entities as at 31 December 2016, are as follows:

	The Access Bank UK Access UK	Access Bank Ghana Ghana	Access Bank Rwanda	Access Bank (R.D. Congo) Congo	Access Bank Zambia	Gambia	Access Bank Sierra Leone Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V. BV
Condensed profit and loss in thousands of naira									
Operating income	8,563,021	18,801,271	2,734,273	2,489,687	1,742,976	950,033	949,130		170,898
Operating expenses	(4,223,554)	(10,518,589)	(2,214,927)	(2,036,649)	(1,429,535)	(639,171)	(716,827)		(7,757)
Net impairment/loss on financial assets	-	(3,697,655)	(648,310)	(1,095)	(309,215)	(106,733)	(71,390)		-
Profit before tax	4,339,467	4,585,027	(128,964)	451,943	4,226	184,129	160,913		163,141
Income tax expense	(867,924)	(2,560,584)	(15,851)	(15,897)	(21,186)	(19,586)	(4,297)		(12,084)
Profit for the year	3,471,543	2,024,443	(144,815)	436,046	(16,960)	164,543	156,616		151,057
<b>Assets</b>									
Cash and cash equivalents	206,090,386	53,060,292	12,843,280	4,081,910	7,748,129	1,850,740	3,189,614		433,441
Pledged assets	-	-	-	-	-	-	-		-
Derivative financial instruments	-	-	152,386	-	-	-	-		-
Loans and advances to banks	105,115,705	-	-	-	-	-	-		72,641,947
Loans and advances to customers	90,553,072	93,656,210	12,888,097	11,764,620	4,580,996	1,011,580	442,252		-
Investment securities	23,316,245	30,800,861	1,390,502	1,390,502	2,211,138	6,332,347	4,082,549		-
Other assets	1,668,759	8,262,701	354,956	746,564	2,484,113	197,067	476,667		4,319
Investment in associates	-	-	-	-	-	-	-		-
Investment in subsidiaries	-	-	-	-	-	-	-		-
Property and equipment	98,390	8,039,370	733,065	1,425,053	734,526	845,655	408,520		-
Intangible assets	320,219	436,493	-	85,669	100,736	102,207	39,440		-
Deferred tax assets	-	1,014,466	-	-	432,094	-	168,936		-
Assets classified as held for sale	-	-	-	-	-	-	-		-
	<b>427,162,776</b>	<b>195,270,393</b>	<b>28,362,286</b>	<b>18,103,816</b>	<b>18,291,733</b>	<b>10,339,596</b>	<b>8,807,979</b>	<b>3,286,375</b>	<b>73,079,707</b>
<b>Financed by:</b>									
Deposits from banks	261,480,316	14,677,731	-	2,171,148	1,245,861	-	787,165		-
Deposits from customers	119,243,361	146,112,643	22,459,781	10,524,795	12,947,085	6,389,283	5,637,268		-
Derivative Liability	51,382	-	-	-	-	-	-		-
Debt securities issued	-	-	-	-	-	-	-		-
Retirement benefit obligations	841	9,921	-	-	95	-	-		72,592,084
Current tax liabilities	607,272	1,843,534	(126,448)	63,564	-	7,331	-		60,674
Other liabilities	1,998,068	1,498,809	614,869	834,620	642,039	686,957	477,233		41,673
Interest-bearing loans and borrowings	-	159,393	1,848,571	-	-	-	-		-
Deferred tax liabilities	-	303,345	211,019	-	-	82,932	-		-
Liabilities classified as held for sale	-	-	-	-	-	-	-		-
Equity	43,781,536	30,665,017	3,354,496	4,509,689	3,456,653	3,173,092	1,906,313		385,276
	<b>427,162,776</b>	<b>195,270,393</b>	<b>28,362,286</b>	<b>18,103,816</b>	<b>18,291,733</b>	<b>10,339,596</b>	<b>8,807,979</b>	<b>3,286,375</b>	<b>73,079,707</b>
Net cashflow from investing activities	(17,961,436)	(7,188,778)	(108,505)	(490,831)	-	(2,784,760)	-		-
Net cashflow from financing activities	9,579,150	7,080,739	908,018	-	-	-	-		-
Increase in cash and cash equivalents	147,608,099	3,084,064	431,681	(2,272,755)	-	-	-		112,381,427
Cash and cash equivalent, beginning of year	45,245,533	30,593,847	7,808,703	4,796,124	9,360,900	(757,388)	1,144,498		268,239
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	1,568,257	-		39,740,811
<b>Cash and cash equivalent, end of year</b>	<b>192,853,632</b>	<b>33,677,911</b>	<b>8,240,394</b>	<b>2,523,368</b>	<b>9,360,900</b>	<b>810,669</b>	<b>1,144,498</b>	<b>3,286,375</b>	<b>152,390,477</b>



**27 (d) Condensed results of consolidated entities**

(i) The condensed financial data of the consolidated entities as at 31 December 2015 are as follows:

	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.
Condensed profit and loss									
In thousands of naira									
Operating income	5,929,949	14,248,052	1,746,767	1,755,209	1,346,817	1,081,310	724,805		438,562
Operating expenses	(3,354,724)	(7,107,573)	(1,561,741)	(1,490,186)	(1,279,419)	(533,547)	(635,919)		(16,624)
Net impairment loss on financial assets	-	(787,888)	24,123	-	(24,158)	(235,348)	(16,540)		-
Profit before tax	2,575,225	6,352,591	209,149	265,023	43,240	312,415	72,346		421,938
Taxation	(521,483)	(2,189,931)	(108,885)	-	(28,989)	(17,326)	(26,355)		(23,206)
<b>Profit for the year</b>	<b>2,053,742</b>	<b>4,162,660</b>	<b>100,264</b>	<b>265,023</b>	<b>14,251</b>	<b>295,089</b>	<b>45,991</b>	<b>-</b>	<b>398,732</b>
<b>Assets</b>									
Cash and cash equivalents	45,245,533	34,911,799	7,637,323	5,171,427	4,375,250	1,762,148	2,133,665		2,327,751
Derivative financial instruments	63,528	-	-	-	-	-	-		-
Loans and advances to banks	86,554,437	-	-	-	-	-	-		69,584,024
Loans and advances to customers	42,761,574	62,251,287	6,669,073	6,262,020	3,100,601	824,185	746,783		-
Pledged assets	-	-	-	-	-	3,250,773	-		-
Investment securities	4,181,497	18,313,343	2,008,702	-	2,042,227	-	3,763,874		-
Other assets	7,14,834	3,604,904	239,902	559,934	1,252,686	124,350	262,785		-
Investment in subsidiaries	-	-	-	-	-	-	-	1,722,350	-
Property and equipment	292,135	4,780,307	42,002	916,619	425,257	619,042	354,179		-
Intangible assets	29,644	276,988	307,609	32,550	44,055	59,861	30,994		-
Deferred tax assets	-	266,434	-	-	277,836	-	120,510		-
	<b>179,843,182</b>	<b>124,405,062</b>	<b>16,904,611</b>	<b>12,942,550</b>	<b>11,517,912</b>	<b>6,640,359</b>	<b>7,412,790</b>	<b>1,722,350</b>	<b>71,911,775</b>
<b>Financed by:</b>									
Deposits from banks	103,782,307	13,714,385	-	-	101,904	-	-		-
Deposits from customers	50,042,098	88,548,465	13,440,311	8,904,983	9,426,433	4,103,594	5,033,441		-
Derivative Liability	672,406	-	-	-	-	-	-		-
Debt securities issued	-	-	-	-	-	-	-		71,336,985
Retirement benefit obligations	-	-	-	-	-	-	8,471		-
Current tax liabilities	482,483	756,851	(5,372)	23,834	28,989	-	-		51,728
Other liabilities	1,837,532	2,701,530	937,044	672,699	(481,930)	438,292	942,628		(164,701)
Contingent settlement provisions	-	55,186	-	-	-	-	-		-
Deferred tax liability	-	149,719	61,570	-	-	55,355	-		-
Equity	23,026,356	18,478,926	2,471,058	3,341,034	1,960,586	2,043,118	1,428,250	1,722,350	687,763
	<b>179,843,182</b>	<b>124,405,062</b>	<b>16,904,611</b>	<b>12,942,550</b>	<b>11,517,912</b>	<b>6,640,359</b>	<b>7,412,790</b>	<b>1,722,350</b>	<b>71,911,775</b>
Net cashflow from investing activities	17,935,552	(2,660,525)	761,628	(122,315)	(442,024)	(119,630)	(786,315)		-
Net cashflow from financing activities	4,400,100	(830,053)	583,202	-	-	-	-		6,914,832
Increase/(Decrease) in cash and cash equivalents	25,849,261	2,343,374	1,318,540	1,284,155	1,565,905	423,797	(486,379)		74,738
Cash and cash equivalent, beginning of year	19,396,272	28,250,473	6,490,163	3,511,969	7,794,994	1,144,460	1,630,878		76,333
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	-	-		117,168
<b>Cash and cash equivalent, end of year</b>	<b>45,245,533</b>	<b>30,593,847</b>	<b>7,808,703</b>	<b>4,796,124</b>	<b>9,360,899</b>	<b>1,568,257</b>	<b>1,144,498</b>	<b>-</b>	<b>268,239</b>

## 28 PROPERTY AND EQUIPMENT

242

### Group

In thousands of Naira

Cost	Land and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in-progress	Total
Balance at 1 January 2016	57,073,875	17,762,955	29,241,820	9,898,894	7,755,533	121,733,077
Acquisitions	3,981,137	5,474,190	4,978,500	1,785,155	1,823,777	18,042,759
Disposals	(122,313)	(290,101)	(530,187)	(558,855)	(129,535)	(1,630,991)
Transfers	3,586,520	74,632	87,346	-	(3,748,497)	-
Write-offs	(187,281)	-	(18,575)	-	(155,144)	(361,000)
Reclassifications	-	-	-	-	(556,893)	(556,893)
Translation difference	1,406,355	1,006,846	1,544,451	490,247	502,022	4,949,921
<b>Balance at 31 December 2016</b>	<b>65,738,293</b>	<b>24,028,521</b>	<b>35,303,354</b>	<b>11,615,441</b>	<b>5,491,267</b>	<b>142,176,873</b>
Balance at 1 January 2015	54,681,145	15,712,421	25,564,194	8,366,282	7,016,361	111,340,403
Acquisitions	2,968,814	1,874,068	4,683,327	2,155,869	2,212,955	13,895,033
Disposals	(629,392)	(672,148)	(587,871)	(870,818)	(404,199)	(3,164,428)
Transfers	122,018	711,695	69,259	52,446	(955,418)	-
Write offs	-	-	-	-	(58,394)	(58,394)
Translation difference	(68,710)	136,919	(487,089)	195,115	(55,772)	(279,537)
<b>Balance at 31 December 2015</b>	<b>57,073,875</b>	<b>17,762,955</b>	<b>29,241,820</b>	<b>9,898,894</b>	<b>7,755,533</b>	<b>121,733,077</b>

### Depreciation and impairment losses

	Leasehold improvement and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in-progress	Total
Balance at 1 January 2016	9,286,024	12,318,555	20,442,415	6,356,156	-	48,403,150
Charge for the year	1,864,239	2,658,469	3,340,041	1,244,137	-	9,106,886
Disposal	(10,538)	(281,617)	(515,657)	(428,352)	-	(1,236,164)
Write-Offs	(14,219)	-	(6,267)	-	-	(20,486)
Translation difference	68,468	351,416	1,376,152	18,399	-	1,814,435
<b>Balance at 31 December 2016</b>	<b>11,193,974</b>	<b>15,046,823</b>	<b>24,636,684</b>	<b>7,190,340</b>	<b>-</b>	<b>58,067,821</b>
Balance at 1 January 2015	7,723,192	10,955,180	17,509,380	5,492,944	-	41,680,695
Charge for the year	1,652,283	1,841,749	3,589,272	1,531,833	-	8,615,138
Disposal	(66,157)	(671,981)	(579,859)	(804,134)	-	(2,122,131)
Translation difference	(23,294)	193,607	(76,378)	135,513	-	229,448
Balance at 31 December 2015	9,286,024	12,318,555	20,442,415	6,356,156	-	48,403,150

Carrying amounts:

<b>Balance at 31 December 2016</b>	<b>54,544,319</b>	<b>8,981,698</b>	<b>10,666,670</b>	<b>4,425,101</b>	<b>5,491,267</b>	<b>84,109,052</b>
Balance at 31 December 2015	47,787,851	5,444,400	8,799,405	3,542,738	7,755,533	73,329,927



## 28 PROPERTY AND EQUIPMENT

Bank	Land and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in-progress	Total
<b>In thousands of Naira</b>						
<b>Cost</b>						
Balance at 1 January 2016	52,737,675	15,863,065	26,748,469	8,644,919	5,388,964	109,383,092
Acquisitions	3,070,721	5,008,811	4,490,233	1,477,916	655,470	14,703,151
Disposals	(118,662)	(257,520)	(492,138)	(428,086)	(129,535)	(1,425,941)
Transfers	1,956,836	-	29,306	-	(1,986,142)	-
Reclassifications	-	-	-	-	(556,893)	(556,893)
Write-Offs	-	-	-	-	(155,143)	(155,143)
<b>Balance at 31 December 2016</b>	<b>57,646,570</b>	<b>20,614,356</b>	<b>30,775,870</b>	<b>9,694,749</b>	<b>3,216,721</b>	<b>121,948,266</b>
Balance at 1 January 2015	50,672,751	14,220,988	23,331,037	7,457,145	6,185,630	101,867,551
Acquisitions	2,648,337	1,601,863	3,975,251	1,870,477	496,193	10,592,121
Disposals	(629,392)	(668,870)	(587,831)	(735,149)	(396,944)	(3,018,186)
Transfers	45,979	709,084	30,012	52,446	(837,521)	-
Write-Offs	-	-	-	-	(58,394)	(58,394)
Balance at 31 December 2015	52,737,675	15,863,065	26,748,469	8,644,919	5,388,964	109,383,092
<b>Depreciation and impairment losses</b>	<b>Leasehold improvement and buildings</b>	<b>Computer hardware</b>	<b>Furniture &amp; fittings</b>	<b>Motor vehicles</b>	<b>Capital Work-in-progress</b>	<b>Total</b>
Balance at 1 January 2016	8,207,291	10,985,168	18,767,401	5,522,848	-	43,482,708
Charge for the year	1,504,195	2,269,674	2,981,425	1,019,297	-	7,774,591
Disposal	(10,540)	(257,339)	(489,240)	(376,386)	-	(1,133,505)
<b>Balance at 31 December 2016</b>	<b>9,700,946</b>	<b>12,997,503</b>	<b>21,259,586</b>	<b>6,165,759</b>	<b>-</b>	<b>50,123,794</b>
Balance at 1 January 2015	6,782,532	9,982,857	16,071,183	4,870,652	-	37,707,224
Charge for the year	1,476,578	1,671,014	3,276,037	1,338,662	-	7,762,291
Disposal	(51,819)	(668,703)	(579,819)	(686,466)	-	(1,986,807)
Balance at 31 December 2015	8,207,291	10,985,168	18,767,401	5,522,848	-	43,482,708
Carrying amounts:						
<b>Balance at 31 December 2016</b>	<b>47,945,624</b>	<b>7,616,853</b>	<b>9,516,284</b>	<b>3,528,990</b>	<b>3,216,721</b>	<b>71,824,472</b>
Balance at 31 December 2015	44,550,384	4,877,897	7,981,068	3,122,071	5,388,964	65,900,384

(a) The amount of contractual commitments for the acquisition of property and equipment as at 31 December 2016 is N365,409,847 (31 Dec 2015: N330,891,261)

(b) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting period. Any changes are accounted for prospectively as a change in estimate.

During the year, the sum of N556m was reclassified from property, plant and equipment to other assets having failed the requirements for assets under this classification.

## 29 INTANGIBLE ASSETS

Group	Goodwill	WIP	Purchased Software	Total
In thousands of Naira				
<b>Cost</b>				
<b>December 2016</b>				
Balance at 1 January 2016	681,007	-	12,060,445	12,741,452
Acquisitions	-	286,724	2,250,300	2,537,024
Transfer	-	-	322,529	322,529
Write off	-	-	(54,460)	(54,460)
Translation difference	-	-	285,996	285,996
<b>Balance at 31 December 2016</b>	<b>681,007</b>	<b>286,724</b>	<b>14,864,810</b>	<b>15,826,656</b>
December 2015				
Balance at 1 January 2015	681,007	740,711	9,946,474	2,146,643
Acquisitions	-	-	2,146,643	-
Transfer	-	(740,711)	740,711	(512,802)
Write off	-	-	(512,802)	(260,581)
Translation difference	-	-	(260,581)	12,741,452
Balance at 31 December 2015	681,007	-	12,060,445	
<b>Amortization and impairment losses</b>				
Balance at 1 January 2016	-	-	6,300,836	2,191,614
Amortization for the year	-	-	2,186,905	400,536
Translation difference	-	-	405,245	<b>8,892,986</b>
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>8,892,986</b>	
December 2015				
Balance at 1 January 2015	-	-	5,775,201	1,483,193
Amortization for the year	-	-	1,483,193	(512,802)
Write off	-	-	(512,802)	(444,756)
Translation difference	-	-	(444,756)	6,300,836
Balance at 31 December 2015	-	-	6,300,836	
<b>Net Book Value</b>				
<b>Balance at 31 December 2016</b>	<b>681,007</b>	<b>286,724</b>	<b>5,965,939</b>	<b>6,933,670</b>
Balance at 31 December 2015	681,007	-	5,759,609	
<b>Bank</b>				
In thousands of Naira				
<b>Cost</b>				
<b>December 2016</b>				
Balance at 1 January 2016	-	-	10,348,678	2,050,313
Acquisitions	-	231,569	1,818,744	<b>12,398,991</b>
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>231,569</b>	<b>12,167,422</b>	
December 2015				
Balance at 1 January 2015	-	740,711	8,255,600	1,865,169
Acquisitions	-	-	1,865,169	-
Transfers	-	(740,711)	740,711	(512,802)
Write off	-	-	(512,802)	10,348,678
Balance at 31 December 2015	-	-	10,348,678	
<b>Amortization and impairment losses</b>				
Balance at 1 January 2016	-	-	5,370,770	1,854,437
Amortization for the year	-	-	1,854,437	7,225,207
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>7,225,207</b>	<b>4,559,497</b>



Balance at 1 January 2015	-	4,559,497	1,324,075
Amortization for the year	-	1,324,075	(512,802)
Write off		(512,802)	5,370,770
Balance at 31 December 2015	-	5,370,770	
Carrying amounts			<b>5,173,784</b>
<b>Balance at 31 December 2016</b>	<b>231,569</b>	<b>4,942,214</b>	4,977,908
Balance at 31 December 2015	-	4,977,908	

There were no capitalised borrowing costs related to the internal development of software during the year under review, 31 December 2016 (2015: nil). Computer software has a definite useful life of not more than five years in line with the Bank's accounting policy, while Goodwill has an indefinite useful life and is annually assessed for impairment.

The work in progress relates to the cost of the CR2 Omnichannel banking solution aimed at providing a unique experience to customers at every touch point and empowering the bank to create, manage and deliver personalised product offerings and services to each customers or customer group across all channels.

Amortization method used is straight line.

## 29(b) Intangible assets

	December 2016	December 2015
(i) Goodwill is attributable to the acquisition of following subsidiaries:	681,007	681,007
	<b>681,007</b>	<b>681,007</b>

In thousands of Naira

Access Bank Rwanda

The recoverable amount of Goodwill as at 31 December 2016 is greater than its carrying amount and is thus not impaired.

(ii) Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the year, while no losses on goodwill were recognized during the year under review 31 December 2016 (31 December 2015: Nil)

The recoverable amount of Goodwill as at 31 December 2016 was greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N4.9bn

Goodwill is monitored by the Group on an entity by entity basis

The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

	Access Bank Rwanda
Compound annual volume growth (i)	
Long term growth rate (ii)	6.62%
Discount rate (ii)	4.70%
Revenue Growth	19.50%
	9.60%

(i) Compound annual volume growth rate in the initial four-year period.

(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.

(iii) Pre-tax discount rate applied to the cash flow projections.

## Cash Flow Forecast

Cash flows were projected based on past experience, actual operating results and the 4-year business plan. These cash-flows are based on the expected revenue growth for the entity over this 4-year period.

### Discount Rate

Pre-tax discount rate of 19.50% was applied in determining the recoverable amounts for the only entity with goodwill (Access Bank Rwanda). This discount rate was estimated using the risk-free rate and the country risk premium for Rwanda.

### Long-term term growth rate

The long term growth rate applied was based on the long term growth rate in GDP of Rwanda

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount."

### Revenue Growth

Revenue growth were projected based on past growth, actual operating income and the company's 4 year strategic plan. The revenue growth of 9.6% represents the average revenue growth of 4 years. The revenue growth was used to project the cashflow for the business.

### Sensitivity analysis of key assumptions used

	<b>10% increase</b>	<b>10% decrease</b>
Impact of change in discount rate on value-in-use computation		
Impact of change in growth rate on value-in-use computation	(481,959)	626,557
Impact of change in revenue growth on value-in-use computation	85,169	(79,926)
	490,918	(490,918)



### 30 DEFERRED TAX ASSETS AND LIABILITIES

#### (a) Group

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	December 2016			December 2015		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	14,329,164	(443,943)	13,885,221	11,259,522	-	11,259,522
Allowances/(Reversal) for loan losses	9,009,821	-	9,009,821	10,791,440	-	10,791,440
Tax loss carry forward	4,549,454	-	4,549,454	9,385,122	-	9,385,122
Exchange gain/(loss) unrealised	-	(29,234,934)	(29,234,934)	-	(22,630,791)	(22,630,791)
Fair value gain on Available for sale investments	-	-	-	-	(13,349)	(13,349)
Employee benefits	11,421	-	11,421	4,452	(111,469)	(107,017)
Actuarial loss on retirement benefit obligation	-	(655,220)	(655,220)	1,894,041	-	1,894,041
<b>Deferred tax assets (net)</b>	<b>27,899,860</b>	<b>(30,334,096)</b>	<b>(2,434,236)</b>	<b>33,334,577</b>	<b>(22,755,609)</b>	<b>10,578,968</b>

#### (b) Bank

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	December 2016			December 2015		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	13,937,906	-	13,937,906	11,092,769	-	11,092,769
Allowances/(Reversal) for loan losses	8,344,683	-	8,344,683	10,496,790	-	10,496,790
Tax loss carry forward	4,505,812	-	4,505,812	9,328,023	-	9,328,023
Exchange gain/(loss) unrealised	-	(29,234,934)	(29,234,934)	-	(22,630,791)	(22,630,791)
Fair value gain on investment property	-	-	-	-	-	-
Actuarial loss on retirement benefit obligation	-	(655,220)	(655,220)	1,894,041	-	1,894,041
<b>Net deferred tax assets/(liabilities)</b>	<b>26,788,401</b>	<b>(29,890,154)</b>	<b>(3,101,753)</b>	<b>32,811,623</b>	<b>(22,630,791)</b>	<b>10,180,832</b>

Deferred tax asset are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. After reviews of the medium-term profit forecasts, the Group considers that there will be sufficient profits in the future against which these losses will be offset.

There were no unrecognized deferred tax assets or liabilities as at 31 December 2016 (31 December 2015: nil)

	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Deferred income tax assets</b>				
- Deferred income tax asset to be recovered after more than 12 months	13,559,275	20,176,562	12,850,495	19,824,813
- Deferred income tax asset to be recovered within 12 months	14,340,585	13,158,015	13,937,906	12,986,810
	27,899,860	33,334,578	26,788,401	32,811,623
<b>Deferred income tax liabilities</b>				
- Deferred income tax liability to be recovered after more than 12 months				
- Deferred income tax liability to be recovered within 12 months	(30,334,096)	(22,630,791)	(29,890,154)	(22,630,791)
	-	(124,818)	-	-
	(30,334,096)	(22,755,609)	(29,890,154)	(22,630,791)

(c) Movement on the net deferred tax assets / (liabilities) account during the year:

In thousands of Naira	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
Balance, beginning of year	10,578,968	10,822,946	10,180,831	10,128,537
Tax charge	(11,994,560)	(684,222)	(12,172,525)	(402,545)
Translation adjustments	91,416	(14,595)	-	-
Items included in OCI	(1,110,059)	454,839	(1,110,059)	454,839
Net deferred tax assets/(liabilities)	(2,434,236)	10,578,968	(3,101,754)	10,180,831
Out of which				
Deferred tax assets	27,899,860	33,334,577	26,788,401	32,811,623
Deferred tax liabilities	(30,334,096)	(22,755,609)	(29,890,154)	(22,630,791)

Temporary difference relating to the Group's Investment in subsidiaries as at December 2016 is N28.6billion (Dec 2015: N3.0 billion). As the Group exercises control over the subsidiaries, it has the power to control the timing of the reversals of the temporary difference arising from its investments in them. The group has determined that the subsidiaries' profits and reserves will not be distributed in the foreseeable future and that the subsidiaries will not be disposed of. Hence, the deferred tax arising from the temporary differences above will not be recognised.

Items included in Other Comprehensive Income

In thousands of Naira	<b>Group December 2016</b>	<b>Group December 2015</b>	<b>Bank December 2016</b>	<b>Bank December 2015</b>
<b>Actuarial gain/loss on retirement benefit obligation</b>				
Gross loss on retirement benefit obligation	3,700,198	(1,516,131)	3,700,198	(1,516,131)
Deferred tax @ 30%	(1,110,059)	454,839	(1,110,059)	454,839
Net balance loss after tax	2,590,139	(1,061,292)	2,590,139	(1,061,292)



### 31 ASSETS CLASSIFIED AS HELD FOR SALE

In 2013, Access Bank Plc took over collateral of some customers and these were recorded in the books as Investment properties, as the Bank had no intention to make use of the property for administrative use. Management initiated a plan to dispose of these assets to willing buyers to comply with the CBN directive to dispose of its non-core assets and thus has been classified as assets held for sale. Management expects to have completed the transaction before the end of the next financial year. This amount has been presented in Note 7 as unallocated segment in accordance with IFRS 8.

The Bank's Asset which is located in Lagos State, include Flats at Salvador and Eric Moore Towers. The Bank's intention is to systematically dispose of the Flats at Eric Moore towers, Salvador towers within 12 months.

#### Assets held for sale

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Balance at 1 January	179,843	23,438,484	179,843	23,438,484
Disposals	(39,116)	(23,258,641)	(39,116)	(23,258,641)
Fair value gain on assets held for sale	-	-	-	-
<b>Balance at 31 December</b>	<b>140,727</b>	<b>179,843</b>	<b>140,727</b>	<b>179,843</b>

In the course of the year, the Bank disposed some of its landed property at Eric Moore towers in order to comply with the CBN directive

### 32 DEPOSITS FROM FINANCIAL INSTITUTIONS

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Money market deposits	85,020,959	35,923,012	26,209,999	1,522,968
Trade related obligations to foreign banks	82,335,624	36,991,409	68,912,189	61,820,817
	<b>167,356,583</b>	<b>72,914,421</b>	<b>95,122,188</b>	<b>63,343,785</b>

### 33 DEPOSITS FROM CUSTOMERS

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Term deposits	925,976,555	706,327,211	799,495,575	632,818,563
Demand deposits	984,150,905	838,954,263	853,780,226	767,609,081
Savings deposits	179,069,825	137,962,846	159,767,071	127,786,239
	<b>2,089,197,286</b>	<b>1,683,244,320</b>	<b>1,813,042,872</b>	<b>1,528,213,883</b>

## 34 OTHER LIABILITIES

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Financial liabilities</b>				
Certified and bank cheques	2,430,832	1,780,404	2,018,166	1,676,220
E-banking payables	3,758,302	8,925,439	3,561,974	8,920,286
Collections account balances	18,677,355	28,271,575	17,692,904	28,249,768
Due to subsidiaries	-	-	714,192	914,789
Accruals	1,294,775	2,214,382	434,811	747,829
Creditors	5,043,127	1,904,665	3,404,703	1,622,762
Customer deposits for foreign exchange	59,738,350	7,973,447	59,574,436	7,973,447
Agency services	37,984	9,506	36,140	9,506
Unclaimed dividend	11,957,131	10,350,486	11,957,131	10,350,486
Other financial liabilities	8,179,792	3,847,417	5,893,267	2,406,392
	<b>111,117,648</b>	<b>65,277,321</b>	<b>105,287,724</b>	<b>62,871,485</b>
<b>Non-financial liabilities</b>				
Litigation claims provision ( see (i)below)	613,886	1,220,780	613,886	1,220,780
Other current non-financial liabilities	1,839,705	2,857,846	1,637,331	2,093
<b>Total other liabilities</b>	<b>113,571,240</b>	<b>69,355,947</b>	<b>107,538,941</b>	<b>64,094,358</b>

Increase in customer deposits for foreign exchange is attributable to the change in the Bank's process which requires all customers with foreign currency obligations to deposit foreign currency to back these transactions due to the prevailing FX environment.

### (i) Movement in litigation claims provision

	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Opening balance	1,220,780	311,120	1,220,780	311,120
Additions	49,496	920,200	49,496	920,200
Payment	(656,390)	-	(656,390)	-
Provision no longer required	-	(10,540)	-	(10,540)
<b>Closing balance</b>	<b>613,886</b>	<b>1,220,780</b>	<b>613,886</b>	<b>1,220,780</b>



## 35 DEBT SECURITIES ISSUED

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Debt securities at amortized cost:				
Eurobond debt from Access Bank B.V (see (i) below)	72,592,084	71,336,985	-	-
Eurobond debt security (see (ii) below)	212,380,366	78,516,655	212,380,366	78,516,655
Commercial Papers	31,572,052	-	31,572,052	-
	<b>316,544,502</b>	<b>149,853,640</b>	<b>243,952,418</b>	<b>78,516,655</b>

(i) This refers to USD350,000,000 guaranteed notes Issued on 25 July 2012 by Access Finance B.V., Netherlands with a maturity date of 25 July 2017 . In Oct 2016, USD 112,997,000 out of USD 350,000,000 was exchanged at a premium for a new note issued by Access Bank Plc . The amount of N72.59Bn represents the amortized cost as at 31 December 2016 on the outstanding balance of USD237,003,000

The principal amount is payable at maturity, whilst interest is payable on a semi-annual basis at the interest rate above .

(ii) This refers to US\$400,000,000 subordinated notes of 9.25% resettable interest issued on 24 December 2014 with a maturity date of 24 December 2021 and US\$300,000,000 notes of 10.5% interest issued on 19 October 2016 with a maturity date of 19 October 2021. These represent an amortized cost of N212.63bn. The principal amount on both notes are payable at maturity, whilst interest is payable on a semi-annual basis at their respective interest rates.

## 36 INTEREST BEARING BORROWINGS

	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
In thousands of Naira				
African Development Bank (see note (a))	29,026,302	18,920,425	29,026,302	18,920,425
Netherlands Development Finance Company (see note (b))	1,513,901	1,363,990	1,513,901	1,363,990
French Development Finance Company (see note (c))	11,580,283	10,212,950	11,580,283	10,212,950
European Investment Bank (see note (d))	26,979,759	14,237,242	26,979,759	14,237,242
International Finance Corporation (see note (e))	2,554,646	4,997,286	2,554,646	4,997,286
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (f))	9,766,871	5,544,920	9,766,871	5,544,920
Bank of Industry-Intervention Fund for SMEs (see note (g))	4,500,284	7,193,737	4,500,284	7,193,737
Bank of Industry-Power & Airline Intervention Fund (see note (h)) Access Finance B.V. (see note (i))	12,881,897	15,188,861	12,881,897	15,188,861
Special Refinancing & Restructuring Intervention fund (SRRIF) see note (j)	-	-	74,425,046	71,523,252
Central Bank of Nigeria - Salary Bailout facilities (see note (k))	6,633,475	6,844,633	6,633,475	6,844,633
Central Bank of Nigeria - Excess Crude Account (see note (l))	66,479,721	56,442,213	66,479,721	56,442,213
Central Bank of Nigeria - Salary Bailout facilities (see note (k))	125,837,600	90,000,000	125,837,600	90,000,000
Central Bank of Nigeria - Excess Crude Account (see note (l))	1,788,969	520,904	-	450,478
<b>Other loans and borrowings</b>	<b>299,543,707</b>	<b>231,467,161</b>	<b>372,179,785</b>	<b>302,919,987</b>

There have been no defaults in any of the borrowings covenants during the year.

(a) The amount of N29,026,301,669 (USD 95,168,202) represents the outstanding balance in the on-lending facility granted to the Bank by ADB (Africa Development Bank) in two tranches one in June 2016 (USD 10m) for a period of 9 years, another in August 2014 (USD 90m) for a period of 10 years and the other in June 2016 (USD 10m). The principal amount is repayable semi-annually from February 2010 for the first tranche and February 2017 for the second and third tranche. Interest is paid semi-annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.28%, 2.00% and 2.04% respectively. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(b) The amount of N1,513,900,980 (USD 4,963,609) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from 15 December 2012 and disbursed in February 2013 (USD 10m) for a period of 6.5 years. The principal amount is repayable semi-annually from December 2015 while interest is paid semi-annually at 3% above 6 months LIBOR. The annual effective interest rate is 5.16%. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(c) The amount of N11,580,282,545 (USD 37,968,139) represents the outstanding balance in the on-lending facility granted to the Bank by the French Development Finance Company effective from 15 December 2012 and disbursed in four tranches; February 2013 (USD 6m), October 2013 (USD 15m), October 2013 (USD 9m) and November 2014 (USD 30m) for a period of 6.5 years each and 5 years respectively. The principal amount is repayable semi-annually from December 2014 with the latter repayable from January 2016 while interest is paid semi-annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.36% for the first tranche, 4.04% for the second tranche, 4.06% for the third tranche and 3.57% for the fourth tranche. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(d) The amount of N26,979,759,117 (USD 88,458,226) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013 (USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m) and March 2016 (USD 27.1m) for a period of 6 years each for the first three and period of 8 years each for the last two. The average annual effective interest rates are 3.48%, 2.97%, 3.18%, 2.97% and 2.97% respectively. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(e) The amount of N2,554,645,892 (USD 8,375,888) represents the outstanding balance on the on-lending facilities granted to the Bank by the International Finance Corporation (IFC) in November 2013 (USD 50m) for a period of 5 years. The principal amount is repayable semi-annually from December 2014 while interest is paid semi-annually at 4% above 6 months LIBOR. The annual effective interest rate is 4.80%. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(f) The amount of N9,766,870,572 represents the outstanding balance in the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACCS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum period of 7 years at a zero percent interest rate to the Bank. The Bank did not provide security for this facility. From this creditor, the bank has nil undrawn balance as at 31 December 2016.



(g) The amount of N4,500,284,025 represents an outstanding balance on the intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total has a 15 year tenor. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(h) The amount of N12,881,897,417 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(i) The amount of N74,425,046,093 (USD237,003,000) represents the outstanding borrowings of Access Bank Plc from Access Finance BV in respect of the dollar guaranteed notes issued by Access Finance B.V., Netherlands which is due on 25 July 2017. The notes were issued on 25 July 2012 for a period of 5 years with the principal amount repayable at the end of the tenor while interest on the Notes is payable semi-annually at 7.34%, in arrears on 25 January and 25 July in each year. In Oct 2016, USD 112,997,000 out of USD 350,000,000 was exchanged at a premium for a new note issued by Access Bank Plc. The annual effective interest rate is 7.65%. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(j) The amount of N6,633,474,944 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(k) The amount of N66,479,721,447 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

(l) The amount of N127,837,600,258 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 December 2016.

<b>Movement in interest bearing loans and borrowings:</b>	<b>Group</b>	<b>Bank</b>
In thousands of Naira		
Balance as at 1 January 2015	79,816,309	146,345,767
Additions	162,576,810	162,647,056
Repayments	(15,331,150)	(15,331,150)
FV gain/loss	4,405,192	9,258,314
<b>Balance as at 31 December 2015/ 1 January 2016</b>	<b>231,467,161</b>	<b>302,919,987</b>
Additions	69,307,930	69,307,930
Repayments	(28,626,050)	(63,090,135)
FV gain/loss	27,394,666	63,042,003
<b>Balance as at 31 December 2016</b>	<b>299,543,707</b>	<b>372,179,785</b>

## 37 RETIREMENT BENEFIT OBLIGATION

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Recognised liability for defined benefit obligations (see note (a) below)	3,064,597	5,567,800	3,064,597	5,567,800
Liability for defined contribution obligations	10,856	-	-	-
	<b>3,075,453</b>	<b>5,567,800</b>	<b>3,064,597</b>	<b>5,567,800</b>

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Post employment benefit plan (see note (i) below)	3,064,597	5,567,800	3,064,597	5,567,800
Recognised liability	<b>3,064,597</b>	<b>5,567,800</b>	<b>3,064,597</b>	<b>5,567,800</b>

### (i) Post employment benefit plan

The Bank operates a non-contributory, unfunded lump sum defined benefit post employment benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions. The scheme is also aimed at rewarding executive directors and other senior executives for the contributions to achieving the Bank's long-term growth objectives.

There is no funding arrangement with a trustee for the Post employment benefit plan as the Bank pays for all obligations from its current year profit as such obligations fall due. Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade.

The amount recognised in the statement of financial position is as follows:

In thousands of Naira

	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Deficit on defined benefit obligations at 1 January	5,567,800	3,267,364	5,567,800	3,267,364
Charge for the year:				
-Interest costs	692,268	466,121	692,268	466,121
-Current service cost	504,727	318,184	504,727	318,184
-Past service cost	-	-	-	-
-Benefits paid	-	-	-	-
Net actuarial gain/(loss) for the year remeasured in OCI:	(577,343)	(415,090)	(577,343)	(415,090)
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	(3,122,855)	1,931,221	(3,122,855)	1,931,221
<b>Balance, end of year</b>	<b>3,064,597</b>	<b>5,567,800</b>	<b>3,064,597</b>	<b>5,567,800</b>
Expense recognised in income statement:				
Current service cost	504,727	318,184	504,727	318,184
Interest on obligation	692,268	466,121	692,268	466,121
<b>Total expense recognised in profit and loss (see Note 14)</b>	<b>1,196,995</b>	<b>784,305</b>	<b>1,196,995</b>	<b>784,305</b>

The weighted average duration of the defined benefit obligation is 10.7 years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment. The estimated contribution to the plan for the next annual reporting period is: N757Mn



### 31 December 2016

In thousands of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Increase in liability by 5.5%	3,232,367	(167,770)
Effect of changes in assumption to the salary growth	Decrease in liability by 5.1%	2,909,189	155,408
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.2%	3,057,012	7,585

In thousands of Naira	Impact on defined benefit obligation		
	Increase in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in assumption to the salary growth	Increase in liability by 5.0%	2,910,376	154,221
Effect of changes in the assumption to the discount rate	Increase in the liability by 5.5%	3,232,322	(167,725)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.3%	3,073,008	(8,411)

### 31 December 2015

In thousands of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Increase in liability by 7.7%	5,996,911	429,111
Effect of changes in assumption to the salary growth	Decrease in liability by 6.75%	5,194,354	(373,446)
Effect of changes in assumption to the mortality rate	Decrease in liability by 6.75%	5,566,289	(1,511)

In thousands of Naira	Impact on defined benefit obligation		
	Increase in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Increase in the liability by 6.9%	5,180,880	(386,920)
Effect of changes in assumption to the salary growth	Increase in the liability by 7.3%	5,975,830	408,030
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.03%	5,569,471	1,671

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

**Actuarial assumptions:**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):  
The most recent valuation was performed by Alexander Forbes as at 31 December 2016.

	<b>December 2016</b>	<b>December 2015</b>
Discount rate	16.70%	11.40%
Future salary increases	5.00%	10.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	3.40%	3.40%
Withdrawal rate: 16 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 55 (average rate)	3.75%	3.50%

Assumptions regarding future mortality before retirement are based on A49/52 ultimate table published by the Institute of Actuaries of United Kingdom. The rate used to discount post employment benefit obligations has been determined by reference to the yield on Nigerian Government bonds of medium duration. This converts into an effective yield of 16.70% as at 31 December 2016. For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.



## 38 CAPITAL AND RESERVES

### A Share capital

In thousands of Naira	Bank December 2016	Bank December 2015
<b>(a) Authorised:</b>		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each (2013: 24,000,000,000 ordinary share of 50k each)	19,000,000	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
	20,000,000	20,000,000

In thousands of Naira	Bank December 2016	Bank December 2015
<b>(b) Issued and fully paid-up :</b>		
28,927,971,631 Ordinary shares of 50k each	14,463,986	14,463,986

#### Ordinary shareholding:

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Bank. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Bank.

#### Preference shareholding:

Preference shares do not carry the right to vote. Preference shareholders have priority over ordinary shareholders with regard to the residual assets of the Bank and participate only to the extent of the face value of the shares plus any accrued dividends. No preference shares were in issue as at the end of the year

The movement on the issued and fully paid-up share capital account during the year was as follows:

In thousands of Naira	Bank December 2016	Bank December 2015
Balance, beginning of year	14,463,986	11,441,460
Additions through issuance of rights	-	3,022,526
Balance, end of year	14,463,986	14,463,986

(c) The movement on the number of shares in issue during the year was as follows

In thousands of units	Group December 2016	Group December 2015
Balance, beginning of year	28,927,972	22,882,919
Additions through issuance of rights	-	6,045,053
Balance, end of year	28,927,972	28,927,972

### B Share premium

Share premium is the excess paid by shareholders over the nominal value for their shares.

In thousands of Naira	Group December 2016	Group December 2015
Balance, beginning of year	197,974,816	161,036,211
Additions through issuance of rights	-	36,938,605
Balance, end of year	197,974,816	197,974,816

## **C Reserves**

### **(i) Other Reserves**

#### **Other regulatory reserves**

##### **Statutory reserves**

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

##### **SMEEIS Reserves**

The small and medium enterprises equity investment scheme (SMEEIS) reserve is maintained to comply with the Central Bank of Nigeria (CBN)/ Banker's committee's requirement that all licensed deposit money banks in Nigeria set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by a CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contribution shall thereafter reduce to 5% of profit after tax

However, this is no longer mandatory. Therefore, no additional appropriation has been done during the year.

The small and medium scale industries equity investment scheme reserves are non-distributable.

### **(ii) Share scheme reserve**

This represents the total expenses incurred in providing the Bank's shares to its qualifying staff members under the RSPP scheme.

### **(iii) Treasury shares**

This represents the shares held by the new RSPP scheme which have not yet been allocated to staff based on the pre-determined vesting conditions.

### **(iv) Capital reserve**

This balance represents the surplus nominal value of the reconstructed shares of the Bank which was transferred from the share capital account to the capital reserve account after the share capital reconstruction in October 2006. The Shareholders approved the reconstruction of 13,956,321,723 ordinary shares of 50 kobo each of the Bank in issue to 6,978,160,860 ordinary shares of 50 kobo each by the creation of 1 ordinary shares previously held.

### **(v) Fair value reserve**

The fair value reserve comprises the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

### **(vi) Foreign currency translation reserve**

This balance appears only in the Group accounts and represents the foreign currency exchange difference arising from translating the results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency.

### **(vii) Regulatory risk reserve**

The regulatory risk reserves warehouses the difference between the allowance for impairment losses on balance on loans and advances based on Central Bank of Nigeria prudential guidelines and Central Bank of the foreign subsidiaries regulations, compared with the loss incurred model used in calculating the impairment under IFRSs.



### (viii) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

#### D Non-controlling interest

This represents the Non-controlling interest's (NCI) portion of the net assets of the Group

In thousands of Naira	Group December 2016	Group December 2015
Access Bank, Gambia	1,142,313	735,523
Access Bank, Sierra Leone	57,189	42,848
Access Bank Zambia	276,532	156,847
Access Bank, Rwanda	838,624	617,765
Access Bank, Congo	1,172,519	868,669
Access Bank, Ghana	2,759,852	1,478,314
	<b>6,247,029</b>	<b>3,899,966</b>

This represents the NCI share of profit/(loss) for the year

In thousands of Naira	Group December 2016	Group December 2015
Access Bank, Gambia	59,235	106,232
Access Bank, Sierra Leone	4,698	1,876
Access Bank Zambia	(980)	1,140
Access Bank, Rwanda	(36,204)	25,066
Access Bank, Congo	113,372	68,906
Access Bank, Ghana	182,200	333,013
	<b>322,322</b>	<b>536,233</b>

	Group December 2016	Group December 2015
<b>Proportional Interest of NCI in subsidiaries</b>		
Access Bank, Gambia	%	%
Access Bank, Sierra Leone	36%	36%
Access Bank Zambia	3%	3%
Access Bank, Rwanda	8%	8%
Access Bank Congo	25%	25%
Access Bank, Ghana	26%	26%
	9%	8%

#### E Dividends

In thousands of Naira

	Bank December 2016	Bank December 2015
Interim dividend paid (2016: 25k, 2015: 25k)	7,231,993	7,231,993
Final dividend paid (2015: 30k)	-	8,678,392
	7,231,993	15,910,385
	28,927,972	28,927,972

The Directors proposed a final dividend of 40k for the year ended 31 December 2016

## 39 CONTINGENCIES

### Claims and litigation

The Group is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. A provision of N614mn has been made for the year ended 31 December 2016

### Contingent liability and commitments

In common with other banks, Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

### Nature of instruments

An acceptance is undertaken by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Group in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related custom and performance bonds and are generally short term commitments to third parties which are not directly dependent on the customer's credit worthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The table below summarises the fair value amount of contingent liabilities and commitments off-financial position risk: Acceptances, bonds, guarantees and other obligations for the account of customers:

#### a. These comprise:

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
<b>Contingent liabilities:</b>	186,251,718	221,127,530	136,163,848	218,067,025
Transaction related bonds and guarantees	99,582,709	94,135,927	85,513,821	91,640,933
Financial guarantees				
<b>Commitments:</b>				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	261,208,243	188,826,683	158,994,793	160,094,292
Future, swap and forward contracts	933,073,893	468,759,809	900,436,358	440,800,900
	<b>1,480,116,562</b>	<b>972,849,949</b>	<b>1,281,108,819</b>	<b>910,603,150</b>

The Bank granted clean line facilities for letters of credit during the year to guarantee the performance of customers to third parties. Contractual capital commitments undertaken by the Bank during the year amounted to N365.4Mn (31 Dec 2015: N330.9Bn)



#### 40 CASH AND CASH EQUIVALENT

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

In thousands of Naira	Group December 2016	Group December 2015	Bank December 2016	Bank December 2015
Cash on hand and balances with banks	68,423,783	80,060,005	59,637,792	52,307,363
Unrestricted balances with central banks	139,954,922	90,721,388	33,160,736	74,158,434
Money market placements	119,826,012	52,433,982	41,798,197	26,111,216
Investment under management	14,871,247	10,403,608	14,871,247	10,403,608
Treasury bills with original maturity of less than 90days	-	425,128	-	425,128
	<b>343,075,964</b>	<b>234,044,111</b>	<b>149,467,972</b>	<b>163,405,749</b>

Cash and cash equivalent for the purpose of the preparation of the statement of cash flows excludes cash collaterals held for letters of credit and the mandatory cash deposit held with the Central Bank of Nigeria.

#### 41 CONTRAVENTIONS OF THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT OF NIGERIA AND CBN CIRCULARS

S/N	Regulatory Body	Infraction
i)	Central Bank of Nigeria	Sum of N24 million in discharge for the penalties on AML/CFT examination.
ii)	Central Bank of Nigeria	Sum of N18 million in respect of risk based supervision examination.
iii)	Central Bank of Nigeria	Sum of N 6 million for 3 violations as noted below:  (a) N2 million penalty with respect to the rendition of reports on PEPS (Politically Exposed Persons).  (b) N2 million penalty for failure to conduct enhanced due diligence on directors of some customers.  (c) N2 million penalty for usage of general/blanket PEP approval for a particular customer.
iv)	Securities and Exchange Commission	Sum of N1.475 million penalty to SEC for late submission of annual report

## 42 EVENTS AFTER REPORTING DATE

Subsequent to the end of the reporting period, the Board of Directors proposed a final dividend of N0.40k each payable to shareholders on register of shareholding at the closure date.

There are no other post balance sheet event that require disclosure in these consolidated financial statements.

## 43 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

### Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Access Bank Plc and its subsidiaries.

### Parent

The parent company, which is also the ultimate parent company, is Access Bank Plc.

### (a) Loans and advances to related parties

The bank granted various credit facilities to its subsidiary companies and key management personnel. Key Management Personnel is defined as members of the Board of Directors of the bank, including their close members of family and any entity over which they exercise control. Close member of family are those who may be expected to influence or be influenced by that individual in dealings with the bank.

The rates and terms agreed are comparable to other facilities being held in the bank's portfolio. Details of these are described below:

	Directors and other key management personnel (and close family members)	Subsidiaries	Total
<b>Year ended 31 December 2016</b>			
In thousands of Naira			
Balance, beginning of year	3,473,640	59,780,277	63,253,917
Net movement during the year	(2,442,741)	32,234,324	29,791,583
Balance, end of year	1,030,899	92,014,601	93,045,500
Interest income earned	73,810	754,918	828,728
Bad or doubtful debts due from related parties expense	-	-	-

The loans issued to directors and other key management personnel (and close family members) as at 31 December 2016 of N1.03Bn are repayable in various cycles ranging from monthly to annually over the tenor. The transactions were carried out at arms length and have an average tenor of 3 years. The loans are collateralised by a combination of lien on shares of quoted companies, fixed and floating debentures, corporate guarantee, negative pledge, domiciliation of proceeds of company's receivables, legal mortgages and cash.

The loan to subsidiaries relates to a foreign interbank placements of USD302M granted during the year. It is a non-collateralised placement advanced at an average interest rate of 1.32% and a tenor less than 12 months. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at year end.



<b>(b) Deposits from related parties</b>	<b>Directors (and close family members and related entities)</b>	<b>Subsidiaries</b>	<b>Total</b>
<b>Year ended 31 December 2016</b>			
In thousands of Naira			
Balance, beginning of year	1,011,482	60,994,350	62,005,832
Net movement during the year	1,026,542	48,631,914	49,658,456
Balance, end of year	2,038,024	109,626,264	111,664,288
Interest expenses on deposits	89,035	2,415,717	2,504,752

The deposits are majorly term deposit with an average interest rates and tenor of approximately 4.37% and 6 months for directors and 2.20% and a tenor of 3 months for subsidiaries.

(c) Borrowings from related parties

	<b>Subsidiaries</b>	<b>Total</b>
In thousands of Naira		
Borrowings at 1 January 2016	71,523,252	71,523,252
Net movement during the year	2,901,794	2,901,794
Borrowings at 31 December 2016	74,425,046	74,425,046
Interest expenses on borrowings	6,172,795	6,172,795

The borrowings from subsidiaries represent the borrowings of Access Bank Plc from Access Finance BV in respect of the dollar guaranteed notes issued by Access Finance B.V, Netherlands which is due on 25 July 2017. The notes were issued on 25 July 2012 for a period of 5 years with the principal amount repayable at the end of the tenor while interest on the Notes is payable semi-annually at 7.34%, in arrears on 25 January and 25 July in each year. The annual effective interest rate is 7.65%. In Oct 2016, USD 112,997,000 out of USD 350,000,000 was exchanged at a premium for a new note issued by Access Bank Plc. The annual effective interest rate is 7.65%.

**(d) Other balances and transactions with related parties**

	<b>Directors (and close family members and related entities)</b>	<b>Subsidiaries</b>	<b>Total</b>
In thousands of Naira			
Cash and cash equivalent	-	38,354,656	38,354,656
Derivative financial instruments	-	-	-
Deposit for Investments	-	11,949	11,949
Deposit from financial institutions	-	70,132,669	70,132,669
Receivables	-	19,626	19,626
Payables	-	35,491	35,491
Other Liabilities	-	706,852	706,852
Fee and commission expense	-	705,127	705,127
Off balance sheet exposures	-	52,348,673	52,348,673

**(e) Key management personnel compensation for the year comprises:**

Directors' remuneration In thousands of Naira	December 2016	December 2015
Non-executive Directors		
Fees	51,875	58,125
Other emoluments:		
Allowances	112,438	125,750
	164,313	183,875
Executive directors		
Short term employee's benefit	680,435	680,435
	14,813	14,813
Defined contribution plan	52,960	25,438
Share based payment	-	500,000
Long term incentive plan	<b>748,208</b>	<b>1,220,686</b>
Total compensation to key management personnel	<b>912,521</b>	<b>1,404,561</b>

**(f) Directors remuneration:**

Remuneration paid to Directors of the Bank (excluding pension contributions and other benefits) was as follows:

In thousands of Naira

	December 2016	December 2015
Fees as Directors		58,125
Other emoluments	51,875	180,138
Executives Directors	207,898	264,220
Allowances	264,220	125,750
	112,438	
The Directors remuneration show above includes		
	December 2016	December 2015
Chairman	41,993	43,406
Highest paid Director	85,160	85,160

The emoluments of all other directors fell within the following ranges:	December 2016	December 2015
	16	16
N20,000,001 - N37,000,000	16	16



#### 44 DIRECTOR-RELATED EXPOSURES

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

- Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines; the Insider-related Standard Operating Procedure for managing insider-related exposures.
- Full compliance with the relevant CBN policies on insider-related lending.
- All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.
- The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.
- The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.
- Section 89 of the Bank's Article of Association also reiterated that a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a period of more than 12 months.

The Bank's gross exposure to all its directors as at 31 December 2016 is N2.69bn. However, the relevant obligors under this category also have credit balances and deposits maintained in their bank accounts which mitigate the risks to the bank.

Below is a schedule showing the details of the Bank's director-related lending:

S/N	Name of borrower	Relationship to reporting institution	Name of related Directors	Facility type	Outstanding Principal	Status	Nature of security
1	Combined Industrial Agro	Ex-Chairman	Mr. Gbenga Oyebo	Overdraft	106,250,000	Performing	Corporate Guarantee of Assets Management Group Limited.
2	Asset Management Group Limited	Ex-Chairman	Mr. Gbenga Oyebo	Time loan	1,460,189,022	Performing	1. Pledged properties at Ikoyi Lagos 2. Personal guarantee 3. Domiciliation of Rental Income
3	Sic Property and Investment Company Ltd	Non-executive director	Mr. Ortisedere Otubu	Term Loan	945,000,000	Performing	1. Legal Mortgage 2. Personal Guarantee 3. Debiture
4	Paul Usoro & Company	Non-executive director	Mr. Paul Usoro	Overdraft Credit Card	180,013,000 1,679,000	Performing Performing	Cash collateral Cash collateral
<b>Balance, end of year</b>					<b>2,693,131,022</b>		

## 45 NON-AUDIT SERVICES

During the year, the bank's auditor, PricewaterHouseCoopers, were awarded the following contracts.

<b>Service</b>	<b>Description</b>	<b>Contractual sum N'000</b>
1. Opinion on the summary of the financial statements of the Bank with relations to the commercial paper issued by the Bank	Audit opinion on the summary of the Bank's financial statements for the periods ended 31 December, 2014, 31 December 2015 and 30 June 2016 for statement of financial positions, statement of comprehensive income and statement of cash flows.	3,000
2. Comfort letter on the summary of the Bank's financial statement with relations to the Eurobond issued by the Bank	Tick and tie of the financial statements for the period ended 31 December 2014, 31 December 2015 and 30 June 2016 and subsequent comforting of the numbers for the Eurobond	55,000
3. Automation of Revenue assurance reviews	Revenue review automation to reduce income leakages and facilitate recoveries	10,000
		<hr/> <b>68,000</b> <hr/>

In the bank's opinion, the provision of these services to the bank did not impair the independence and objectivity of the external auditor.



## OTHER NATIONAL DISCLOSURES

### Value Added Statement

In thousands of Naira	Group December 2016	%	Group December 2015	%
Gross earnings	381,320,783		337,404,230	
Interest expense	(29,874,830)		(2,448,292)	
Foreign	(59,894,789)		(86,104,533)	
Local	291,551,164		248,851,405	
Net impairment (loss) on financial as- sets	(20,630,884)		(10,839,793)	
Net impairment loss on other financial assets	(1,321,935)		(4,284,977)	
Bought-in-materials and services				
Foreign	(3,859,283)		(2,044,934)	
Local	(93,364,322)		(90,330,010)	
<b>Value added</b>	<b>172,374,739</b>		<b>141,351,691</b>	
<b>Distribution of Value Added</b>				
<b>To Employees:</b>				
Employees costs	51,795,538	30%	42,346,952	30%
<b>To government</b>				
Government as taxes	18,900,109	11%	9,169,344	6%
<b>To providers of finance</b>				
Interest on borrowings	18,369,256	11%	13,868,292	10%
Dividend to shareholders	15,910,384	9%	15,241,014	11%
<b>Retained in business:</b>				
For replacement of property and equipment and intangible assets	11,293,791	7%	10,098,330	7%
Retained profit (including Statutory and regulatory risk reserves)	56,105,661	33%	50,627,759	36%
	<b>172,374,739</b>	<b>100%</b>	<b>141,351,691</b>	<b>100%</b>

## OTHER NATIONAL DISCLOSURES

### Value Added Statement

In thousands of Naira	Bank December 2016	%	Bank December 2015	%
Gross earnings	331,000,972		302,061,975	
Interest expense				
Foreign	(32,402,507)		(2,448,292)	
Local	(48,892,468)		(76,069,175)	
	249,705,997		223,544,508	
Net impairment (loss) on financial as- sets	(16,319,192)		(9,902,690)	
Net impairment loss on other financial assets	(1,321,935)		(4,284,977)	
Bought-in-materials and services				
Foreign	(3,859,283)		(2,044,934)	
Local	(82,273,670)		(81,863,745)	
<b>Value added</b>	<b>145,931,915</b>		<b>125,448,162</b>	

### Distribution of Value Added

#### To Employees:

Employees costs	42,153,587	29%	35,699,471	28%
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#### To government

Government as taxes	16,553,441	11%	6,253,168	5%
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#### To providers of finance

Interest on borrowings	13,569,723	9%	15,484,411	12%
Dividend to shareholders	15,910,384	11%	15,241,014	12%

#### Retained in business:

For replacement of property and equipment and intangible assets	9,629,029	7%	9,086,366	7%
Retained profit (including Statutory and regulatory risk reserves)	48,115,751	33%	43,683,732	35%
	<b>145,931,915</b>	<b>100%</b>	<b>125,448,162</b>	<b>100%</b>



## OTHER NATIONAL DISCLOSURES

### Other financial Information

#### Five-year Financial Summary

Group	December 2016	December 2015	December 2014	December 2013	December 2012
	12 months N'000				
In thousands of Naira					
<b>Assets</b>					
Cash and balances with banks	713,889,105	478,409,336	405,014,793	439,459,541	405,292,241
Investment under management	14,871,247	10,403,608	-	-	-
Non pledged trading assets	44,629,579	52,298,422	28,411,644	3,877,969	27,906,803
Pledged assets	314,947,502	203,715,397	87,072,147	63,409,851	60,949,856
Derivative financial instruments	156,042,984	77,905,020	24,866,681	102,123	30,949
Loans and advances to banks	45,203,002	42,733,910	12,435,659	24,579,875	4,564,943
Loans and advances to customers	1,809,459,172	1,365,830,831	1,110,464,442	786,169,703	604,073,399
Trading properties	-	-	-	-	2,693,227
Investment securities	229,113,772	186,223,126	270,211,388	353,811,348	447,281,811
Insurance receivables	-	-	-	-	627,337
Other assets	63,255,054	83,014,503	56,310,620	52,019,723	67,935,352
Investment properties	-	-	-	23,974,789	14,360,567
Investments in equity accounted investee	-	-	-	3,623,326	2,774,647
Property and equipment	84,109,052	73,329,927	69,659,707	67,243,305	64,634,438
Intangible assets	6,939,555	6,440,616	5,592,991	3,659,072	3,404,945
Deferred tax assets	1,264,813	10,845,612	10,881,984	10,687,635	8,113,973
Assets classified as held for sale	140,727	179,843	23,438,484	2,847,740	30,827,257
<b>Total assets</b>	<b>3,483,865,564</b>	<b>2,591,330,151</b>	<b>2,104,360,539</b>	<b>1,835,466,000</b>	<b>1,745,471,746</b>
<b>Liabilities</b>					
Deposits from financial institutions	167,356,583	72,914,421	119,045,423	72,147,956	96,893,015
Deposits from customers	2,089,197,286	1,683,244,320	1,454,419,052	1,331,418,659	1,201,481,996
Derivative financial instruments	30,444,501	3,077,927	1,989,662	32,955	35,515
Claims payable	-	-	-	-	118,226
Current tax liabilities	5,938,662	7,780,824	8,180,969	6,899,558	8,937,964
Other liabilities	113,571,240	69,355,947	21,689,079	56,847,216	58,418,260
Deferred tax liabilities	3,699,050	266,644	59,038	37,861	-
Liabilities on investment contracts	-	-	-	-	65,591
Liabilities on insurance contracts	-	-	-	-	3,351,234
Debt securities issued	316,544,502	149,853,640	138,481,179	55,828,248	54,685,891
Interest-bearing borrowings	299,543,707	231,467,161	79,816,309	64,338,982	48,369,849
Retirement benefit obligations	3,075,453	5,567,800	3,269,100	1,933,021	2,487,589
Contingent settlement provisions	-	-	-	-	3,548,250
Liabilities classified as held for sale	-	-	-	1,499,495	25,793,512
<b>Total liabilities</b>	<b>3,029,370,984</b>	<b>2,223,528,684</b>	<b>1,826,949,811</b>	<b>1,590,983,951</b>	<b>1,504,186,892</b>
<b>Equity</b>					
Share capital and share premium	212,438,802	212,438,802	172,477,671	172,477,671	176,628,255
Retained earnings	93,614,030	51,730,369	34,139,453	22,232,374	17,856,630
Other components of equity	142,194,720	99,732,330	67,262,761	48,003,894	38,700,374
Non controlling interest	6,247,028	3,899,966	3,530,843	1,768,110	8,099,594
<b>Total equity</b>	<b>454,494,580</b>	<b>367,801,467</b>	<b>277,410,728</b>	<b>244,482,049</b>	<b>241,284,853</b>
<b>Total liabilities and Equity</b>	<b>3,483,865,564</b>	<b>2,591,330,151</b>	<b>2,104,360,539</b>	<b>1,835,466,000</b>	<b>1,745,471,746</b>

<b>Gross earnings</b>	381,320,783	337,404,230	245,383,536	206,891,219	197,081,930
<b>Profit before income tax</b>	90,339,456	75,038,117	52,022,290	44,996,410	46,534,979
<b>Profit from continuing operations</b>	71,439,347	65,868,773	43,063,479	36,101,830	44,839,636
<b>Discontinued operations</b>	-	-	(87,267)	265,760	(5,511,361)
<b>Profit for the year</b>	<b>71,439,347</b>	<b>65,868,773</b>	<b>42,976,212</b>	<b>36,367,590</b>	<b>39,328,275</b>
<b>Non controlling interest</b>	322,322	536,233	560,883	195,762	(191,904)
<b>Profit attributable to equity holders</b>	71,117,024	65,332,540	42,415,329	36,171,828	39,520,179
<b>Dividend paid</b>	15,910,384	15,241,014	13,729,777	13,729,777	12,588,538
<b>Earning or (loss) per share -Basic</b>	250k	265k	189k	158k	172k
<b>Adjusted</b>	246k	262k	189k	158k	172k
<b>Number of ordinary shares of 50k</b>	28,927,971,631	28,927,971,631	22,882,918,908	22,882,918,908	22,882,918,908



## OTHER NATIONAL DISCLOSURES

### Other financial Information Five-year Financial Summary

	December 2016	December 2015	December 2014	December 2013	December 2012
<b>Bank</b>					
	<b>12 months</b>				
In thousands of Naira	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Assets</b>					
Cash and balances with banks	517,997,249	405,998,636	351,174,879	395,808,747	284,062,159
Investment under management	14,871,247	10,403,608	-	-	-
Non pledged trading assets	44,629,579	52,298,422	28,411,644	3,877,969	3,769,260
Pledged assets	314,947,502	200,464,624	85,183,353	63,347,823	60,949,856
Derivative financial instruments	155,772,662	77,852,349	24,831,145	72,675	-
Loans and advances to banks	104,006,574	60,414,721	55,776,837	13,048,651	3,054,520
Loans and advances to customers	1,594,562,345	1,243,215,309	1,019,908,848	735,300,741	554,592,199
Investment securities	161,200,642	155,994,798	226,137,983	309,071,802	420,346,295
Other assets	50,594,480	78,623,381	48,246,307	44,326,360	61,431,658
Investment properties	-	-	-	23,974,789	14,072,673
Investments in equity accounted investee	-	-	-	1,521,812	1,980,808
Investment in subsidiary	59,239,252	45,439,246	40,120,572	38,029,992	43,209,688
Property and equipment	71,824,472	65,900,384	64,160,327	63,203,245	58,938,450
Intangible assets	5,173,784	4,977,908	4,436,814	2,661,553	2,339,510
Deferred tax assets	-	10,180,832	10,128,537	9,847,853	7,007,387
Assets classified as held for sale	140,727	179,843	23,438,484	-	-
<b>Total assets</b>	<b>3,094,960,515</b>	<b>2,411,944,061</b>	<b>1,981,955,730</b>	<b>1,704,094,012</b>	<b>1,515,754,463</b>
<b>Liabilities</b>					
Deposits from banks	95,122,188	63,343,785	134,509,662	61,295,352	16,312,516
Deposits from customers	1,813,042,872	1,528,213,883	1,324,800,611	1,217,176,793	1,093,979,220
Derivative financial instruments	30,275,181	2,416,378	1,737,791	-	-
Debt securities issued	243,952,418	78,516,655	73,155,391	-	-
Current tax liabilities	-	6,442,311	7,113,226	6,075,590	7,686,568
Other liabilities	5,004,160	64,094,358	16,870,132	52,092,559	50,246,164
Retirement benefit obligations	107,538,941	5,567,800	3,267,364	-	2,485,093
Liabilities on investment contracts	3,064,597	-	-	-	-
Liabilities on insurance contracts	-	-	-	-	-
Interest-bearing borrowings	-	302,919,987	146,345,767	120,342,026	103,872,441
Contingent settlement provisions	372,179,785	-	-	1,929,695	3,548,250
Deferred tax liabilities	-	-	-	-	-
Liabilities classified as held for sale	3,101,753	-	-	-	-
<b>Total liabilities</b>	<b>2,673,281,895</b>	<b>2,051,515,157</b>	<b>1,707,799,944</b>	<b>1,458,912,015</b>	<b>1,278,130,252</b>
<b>Equity</b>					
Share capital and share premium	212,438,802	212,438,802	172,477,671	172,477,671	176,628,255
Retained earnings	93,329,188	49,459,102	36,499,779	23,095,392	18,880,711
Other components of equity	115,910,630	98,531,000	65,178,336	49,608,934	42,115,245
<b>Total equity</b>	<b>421,678,620</b>	<b>360,428,904</b>	<b>274,155,786</b>	<b>245,181,997</b>	<b>237,624,211</b>
<b>Total liabilities and Equity</b>	<b>3,094,960,515</b>	<b>2,411,944,061</b>	<b>1,981,955,730</b>	<b>1,704,094,012</b>	<b>1,515,754,463</b>

<b>Gross earnings</b>	<b>331,000,972</b>	<b>302,061,975</b>	<b>221,610,769</b>	<b>182,888,906</b>	<b>172,719,708</b>
<b>Profit before income tax</b>	80,579,576	65,177,914	46,142,422	31,365,396	36,259,530
<b>Profit for the year</b>	64,026,135	58,924,745	39,941,126	26,211,844	35,815,611
<b>Dividend paid</b>	15,910,384	15,241,014	13,729,777	13,729,777	12,588,538
<b>Earning or (loss) per share -Basic</b>	221k	237k	174k	114k	157k
<b>Adjusted</b>	221k	237k	174k	114k	157k
<b>Number of ordinary shares of 50k</b>	28,927,971,631	28,927,971,631	22,882,918,908	22,882,918,908	22,882,918,908

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☎ 01-2712005-7

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**5**

## **SHAREHOLDER INFORMATION**



## Access Bank's commitment to communicate effectively with its shareholders



Shareholder Engagement	276
Notice of Annual General Meeting	278
Explanatory Notes to the Proposed Resolutions	280
Capital Formation	284
e-Dividend Mandate Form	285
Shareholder Information Update Form	287
Proxy Form	289
Investor's Enquiries	291

# SHAREHOLDER ENGAGEMENT

The Board and Management of Access Bank are committed to ensuring transparency in their dealings with stakeholders. Accordingly, we provide Shareholders with a continuous and timely flow of financial and non-financial information in order to ensure that their expectations are aligned with the Bank's corporate objectives.

Access Bank continues to carry out several enhancements of its Investor Relations programme to effectively communicate with Shareholders. The Bank, in keeping with best practice, employs various channels of communication to provide information to its Shareholders:

CHANNEL	DESCRIPTION
Annual Report and Accounts	The Annual Report & Accounts is a comprehensive report of the Bank's activities throughout the preceeding year. It is produced in paper and electronic format and posted to Shareholders and other stakeholders at least 21 days before the AGM as required by law.
Website	The Bank's website, <a href="http://www.accessbankplc.com">www.accessbankplc.com</a> , serves as a go-to resource and is continuously updated with relevant information for our Shareholders.



CHANNEL	DESCRIPTION
Result Announcement	The Bank ensures complete access to financial performance information through the publication of quarterly and annual results in the papers and online media.
Conference calls	Following the publication of the Bank's results is the conference call with Shareholders, investors and analysts. These allow for the investment community to gain a better understanding of the Bank's performance and future plans.
Annual General Meeting (AGM)	The AGM is an annual event during which the Bank's Board and Senior Management meet with Shareholders to discuss the Bank's performance, strategy and other concerns or benefit to shareholders. Decisions are reached by majority vote as required by law.
Shareholder Associations Meetings*	In addition to the AGM, the Bank considers it important to hear from representatives of various shareholder associations in order to address shareholders' concerns and receive advice from shareholders. This is held once a year.
Non-Deal Road Show	The Bank's management team ensures that it meets international and local Shareholders at least once a year.

\* Meet with your local Shareholder committee for details and how you can be represented at the meetings  
 \* The Bank held its Investor Day on October 11, 2016.

### Rights and responsibilities of Shareholders

Our Shareholders are encouraged to share in the responsibility of sustaining the Bank's corporate values by exercising their rights which include

- Voting at the Shareholders' meeting
- Sharing in the property of the company upon dissolution
- Participating in Shareholders' meetings
- Electing and removing Directors
- Approving bylaws and changes thereto
- Appointing the auditor of the bank
- Examining corporate records, financial statements and Directors' reports and
- Approving major or fundamental changes (such as those affecting a company's structure or business activities).

### Investor Relations and financial information

Individual Shareholder Enquiry,  
 United Securities Ltd  
 Telephone: 234(1) 2714566-7  
 Email: info@unitedsecuritieslimited.com  
 Financial Analysts and Institutional Investors  
 Telephone: + 234 (1) 2804130  
 Email: investorrelations@accessbankplc.com

### Enquiries and Complaints Management

The Investors Enquiries and Complaints Management Policy ('the Policy') sets out the manner and circumstances in which the Shareholders of the Bank may contact the Bank regarding their shareholding interest in the Bank and how the Bank will assist to address the shareholders' concerns. It provides guidance to the individuals within the Bank that are responsible for handling and resolving shareholders' complaints or enquiries. The policy provides for efficient, fair and timely management and resolution of shareholders' enquiries and complaints.

The policy is made pursuant to the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market and the implementing Circular Number NSE/LARD/ CIR6/15/04/22 issued by the Nigerian Stock Exchange and is contained in Page 291 of this report.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of members of ACCESS BANK PLC will hold at Balmoral Hall, Federal Palace Hotel, 6-8, Ahmadu Bello Way, Victoria Island, Lagos on Wednesday, March 29, 2017 at 10.00 a.m. You will be asked to consider and, if thought fit, to pass the resolutions below:

## A. ORDINARY BUSINESS

As Ordinary Resolutions:

1. To receive the Group's Audited Financial Statements for the year ended December 31, 2016 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a final dividend.
3. To re-elect Mrs. Mosun Belo-Olusoga, FCA as a Non-Executive Director.
4. To re-elect Mr. Paul Usoro, SAN as a Non-Executive Director.
5. To elect Mr. Adeniyi Adedokun Adekoya who was appointed as an Independent Non-Executive Director by the Board since the last Annual General Meeting.
6. To elect Mr. Iboroma Tamunoemi Akpana who was appointed as an Independent Non-Executive Director by the Board since the last Annual General Meeting.
7. To elect Dr. Gregory Ovie Jobome who was appointed as an Executive Director by the Board since the last Annual General Meeting.
8. To authorise the Directors to fix the remuneration of the Auditors.
9. To elect/re-elect members of the Audit Committee.

## B. SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

10. That the Directors' fees for the financial year ending December 31, 2017 be and is hereby fixed at NGN 58,125,000.00 (Fifty Eight Million, One Hundred and Twenty Five Thousand Naira only).

## PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is attached to the Notice and it is valid for the purpose of the meeting. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the office of the Registrar, United Securities Limited, Plot 09, Amodu Ojikutu Street, off Bishop Oluwole Street, Victoria Island, Lagos, not later than 48 hours prior to the time of the meeting.

Dated this 6th day of March 2017.

BY ORDER OF THE BOARD



**SUNDAY EKWOCHI**  
**COMPANY SECRETARY**

FRC/2013/NBA/00000005528

## NOTES

### Dividend

If the proposed final dividend of 40 kobo per ordinary share is approved, dividend warrants will be posted on March 29, 2017 to shareholders whose names appear in the Register of Members at the close of business on March 13, 2017, while shareholders who have mandated their dividend to their bank accounts will be credited on the date of the Annual General Meeting.

### Closure of Register of Members

The Register of Members and Transfer Books of the Bank will be closed on March 14, 2017 to enable the Registrar prepare for the payment of dividend.

### Statutory Audit Committee

The Audit Committee consists of 3 shareholders and 3 directors. In accordance with S.359 (5) of the Companies and Allied Matters Act, 1990, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

The Central Bank of Nigeria and the Securities and their respective Codes of Corporate Governance require that at least one member of the Audit Committee should be knowledgeable in internal control processes, accounting



and financial matters. Consequently, a detailed resume disclosing requisite qualification should be submitted with each nomination.

#### **Unclaimed Dividend Warrants and Share Certificates**

Some dividend warrants and share certificates have remained unclaimed or are yet to be presented for payment or returned to the Company for revalidation. Affected Shareholders are advised to contact the Registrars, United Securities Limited, Plot 09, Amodu Ojikutu Street, Victoria Island, Lagos.

#### **E-Dividend/Bonus**

Following the resolution reached at the Capital Market Committee Meeting held on August 9, 2016, the Securities and Exchange Commission has directed all Capital Market Registrars to discontinue the issuance of dividend warrants to investors after July 31, 2017.

In view of this directive, shareholders are advised to complete the e-dividend mandate forms with the Registrar or their bankers as dividend not claimed after July 31, 2017 will only be paid electronically to shareholders' bank account details as directed by the Securities and Exchange Commission.

#### **Biographical Details of Directors for Election or Re-election**

Biographical details of directors standing for election or re-election are provided in the Annual Report.

#### **Website**

A copy of this Notice and other information relating to the meeting can be found at <http://www.accessbankplc.com>

#### **Questions from shareholders**

Shareholders and other holders of the Company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts. Please send questions, comments or observations to Company Secretariat Department, Access Bank Plc, Plot 999c, Danmole Street, Victoria Island, Lagos or by email to [groupcompanysecretariat@accessbankplc.com](mailto:groupcompanysecretariat@accessbankplc.com) not later than March 14, 2017. Questions and answers will be presented at the Annual General Meeting.

#### **Pre-Registration of Attendance**

Please be informed that shareholders can pre-register to attend the meeting by completing the form available at <http://www.unitedsecuritieslimited.com/uploads/files/AGM%20PRE-REGISTRATION%20FORM.pdf>.

The pre-registration portal will open on March 14, 2017 and close on the March 26, 2017 Interested shareholders are advised to complete the pre-registration form and return the duly completed form to the Registrar at United Securities Limited Plot 009, Amodu Ojikutu Street, Off Bishop Oluwole Street Victoria Island, Lagos, or via e-mail at [info@unitedsecuritieslimited.com](mailto:info@unitedsecuritieslimited.com).

# EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

The Notes below provide explanation to the proposed resolutions.

Resolutions 1-10 are being proposed as ordinary resolutions. This means that for each resolution to be passed a simple majority of votes in favour of the resolution is required. Please note that if you abstain from voting you will not be counted in the calculation of the proportion of votes 'for' or 'against' a resolution.

## Resolution 1: Annual Report and Accounts

The directors are required under Section 345 (1) of the Companies and Allied Matters Act 1990 to lay before the company in the General Meeting for each financial year copies of the financial statements of the company made up to a date not exceeding nine months prior to the date of the meeting. This provides the shareholders the opportunity to ask questions on the content of the Annual Report and Financial Statements.

## Resolution 2: Declaration of Final Dividend

By Section 379 (1) of the Companies and Allied Matter Act 1990, the General Meeting has the power to approve or reduce the final dividend recommended by the Directors but cannot increase the amount. If the 40 Kobo final dividend per ordinary share recommended by the Directors is approved, the final dividend net of withholding tax will be payable on March 29, 2017 to those shareholders registered on the Company's register of shareholders as at March 13, 2017.

## Resolutions 3-7: Re-election/Election of Directors

Your company's Articles of Association require one third of all Non-Executive Directors (rounded down) to stand for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting ('AGM'). In keeping with the requirement, Mrs. Mosun Belo-Olusoga FCA and Mr. Paul Usoro, SAN will retire at this Annual General Meeting and being eligible for re-election will submit themselves for re-election. It is hereby confirmed that following a formal evaluation, the directors continue to demonstrate commitment to their role as Non-Executive Directors.

The Board pursuant to the powers vested on it by the Articles of Association has appointed Messrs Adeniyi Adedokun Adekoya and Iboroma Tamunoemi Akpana as Independent Non-Executive Directors subject to all regulatory and shareholders' approvals. The Board has also appointed Dr. Gregory Jobome as an Executive Director subject to regulatory and shareholders' approvals. The appointees bring on board their robust experiences in private and public sector governance. The appointments have been approved by the Central Bank of Nigeria. As required by the Articles of Association, these appointments will be tabled before the

shareholders for approval.

The Board considers all the directors submitting themselves for election and re-election as highly experienced and having good understanding of the financial services industry. Given their experience and background the Board believes that they will continue to add value to the Bank.

The biographical details of directors standing for election or re-election are set out below. The Board recommends that these directors should be elected or re-elected to maintain the needed balance of skill, knowledge and experience on the Board.

## Mrs. Mosun Belo-Olusoga, FCA- Non-Executive Director

Mrs. Belo-Olusoga is the Principal Consultant/Programme Director of The KRC Ltd. She served on the boards of Guaranty Trust Bank Plc, Asset and Resource Management Company Ltd and Equipment and Leasing Association of Nigeria. She currently sits on the boards of Premium Pensions, MTN Foundation, ActionAid amongst other companies. She had an illustrious banking career spanning nearly 3 decades. She retired from Guaranty Trust Bank Plc in 2006 as an Executive Director.

Mrs. Belo-Olusoga is a graduate of Economics from University of Ibadan. She qualified as a Chartered Accountant in 1983 and is a fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Bankers of Nigeria. She joined the Board of the Bank in November 2007. She was the Chairperson of the Board Credit and Finance Committee, until her appointment as Chairman of the Board in July 2015.

She is aged 59 at the date of this Meeting

## Mr. Paul Usoro, SAN - Non-Executive Director

Mr. Usoro is a Senior Advocate of Nigeria, a Fellow of the Chartered Institute of Arbitrators, and the Founder and Senior Partner of the Law firm of Paul Usoro and Co. He has over 30 years law practice experience and is acknowledged as a highly experienced litigator and communications law expert. He is currently a director of Airtel Network Ltd and PZ Cussons Nigeria Plc.

Mr. Usoro previously represented Access Bank as a Non-Executive Director on the Board of Intercontinental Bank Plc. He holds a Bachelors of Law degree from the University of Ife (1981) and was called to the Nigerian Bar in 1982.

He joined the Board in January 2014

## Committee Membership

- Board Remuneration Committee Member
- Board Governance and Nomination Committee



(Member)

- Board Credit and Finance Committee (Member)
- Board Risk Management Committee (Member)
- Board Audit Committee (Member)

He is aged 58 at the date of this meeting.

**Mr. Iboroma Tamunoemi Akpana - Independent Non-Executive Director**

Mr. Akpana is the Managing Partner of Solola & Akpana one of the leading commercial and oil and gas law firms in Nigeria. He is a consummate corporate and commercial lawyer with a career spanning more than two decades. Mr. Akpana has a proven track record of academic excellence. He graduated as a top student in Law from University of Jos, and obtained a Masters Degree from Harvard Law School.

Mr. Akpana is a Notary of the Federal Republic of Nigeria. Based on his work, he was recognized in the Chambers Global 2006, 2007, 2008 and 2009 editions as a 'Leading Individual' in Nigeria in its Corporate/Commercial section. The International Financial Law Review 1000 similarly ranked him as a 'Leading Lawyer' in Nigeria in its 2006, 2007, 2008 and 2009 editions while the Legal 500 Europe, Middle East and Africa profiled him as a 'Recommended Individual'.

He is a member of the International Bar Association, American Bar Association, New York State Bar Association, Nigerian Bar Association and the Law Society of England and Wales.

He was appointed to the Board on December 16, 2016 and approved by the Central Bank of Nigeria in March 2017.

He is aged 52 at the date of this meeting

**Mr. Adeniyi Adedokun Adekoya - Independent Non-Executive Director**

Mr. Adekoya is a highly experienced maritime and oil and gas industry expert with significant investment banking experience. He is currently an Executive Director with Synerpet Nigeria Limited (formerly Akeprime Limited). Prior to this, he had been a General Manager of Peacagate Holdings Ltd where he was responsible for setting up and developing the company's marine operations.

He was also consultant to Maine Nigeria Ltd where he developed the framework for the private placement to raise start-up capital of USD 500 million and led the company's participation in bid rounds for oil blocks in the Republic of Equatorial Guinea. He was appointed to the Board in October 2016 and approved by the Central Bank of Nigeria in January 2017, He had 3 years working experience with Mobil Producing Company as a Budget Officer, Exploration Department and 6 years financial service industry experience obtained from AIM Fund and Trimark Investment Service both in Ontario, Canada.

Mr. Adekoya holds a Bachelors of Business Administration from University of Lagos. He was appointed to the Board on December 16, 2016 and approved by the Central Bank

Nigeria in March 2017.

He is aged 50 at the date of this meeting

**Dr. Gregory Ovie Jobome -Executive Director, Risk Management**

Dr. Jobome is a thorough bred banking professional with excellent academic pedigree. He obtained a First Class Degree in Economics from the University of Maiduguri in 1986 and a Distinction in Master of Business Administration from Obafemi Awolowo University in 1990. Dr. Jobome also obtained a Master of Science Degree (1994) and a Doctorate Degree (2002) both in Economics and Finance from Loughborough University, UK.

He has over 25 years working experience obtained from Guaranty Trust Bank Plc, University of Liverpool Management School, Manchester Business School and Access Bank Plc. He joined Access Bank Plc in July 2010 as a General Manager and Chief Risk Officer. Prior to joining the Bank, he was a Risk Management Consultant to Guaranty Trust Bank Plc. Dr Jobome has been instrumental to the many giant strides attained by the Bank in the risk management space.

Dr. Jobome is a highly sought after resource person and has held several key industry leadership position including:

- Director, CRC Credit Bureau Ltd
- President, Risk Management Association of Nigeria between 2012 and 2015
- Member, Working Group on Regulatory Reforms of the Institute of International Finance
- Member, Capacity Building Committee, Chartered Institute of Bankers of Nigeria
- Member, Board of Trustees, Risk Managers Association of Nigeria
- Member, Chief Risk Officers Forum

He was appointed to the Board in October 2016 and approved by the Central Bank of Nigeria in January 2017.

He is aged 51 at the date of this meeting.

The interest of Directors standing for election and re-election in the ordinary shares of the Bank as at December 31, 2016 are as shown below.

S/N	Director's Name	Direct Holding	Indirect Holding
1	Mrs. Mosun Belo-Olusoga, FCA	3,604,838	Nil
2	Mr. Paul Usoro, SAN	1,209,634	Nil
3	Mr. Iboroma Tamunoemi Akpana	314,996	Nil
4	Mr. Adeniyi Adedokun Adekoya	Nil	Nil
5	Dr. Gregory Ovie Jobome	5,264,346	Nil

#### Resolution 8:

##### Approval of Auditor's Remuneration

PricewaterhouseCoopers was appointed as the statutory auditor of the Bank by the ordinary resolution of shareholders passed at the 24th Annual General Meeting held on April 25, 2013. Section 361 (1) (b) of the Companies and Allied Matters Act provides that the remuneration of the auditor of a company shall subject Section 361 (1) (a) be fixed by the company in general meeting or in such manner as the company in general meeting may determine. Pursuant to this provision, the shareholders will be required to authorize the directors to fix the remuneration of the statutory auditor for the financial year ending December 31, 2017.

#### Resolution 9:

##### Election/Re-election of Members of Audit Committee

In accordance with S.359 (5) of the Companies and Allied Matters Act, any member may nominate a shareholder for election as a member of the Shareholders Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Members will be required to vote at the Annual General Meeting to elect or re-elect members of the Bank's Statutory Audit Committee.

#### Resolution 10:

##### Approval of Directors' Fees

Your company is required by law to seek the approval of the annual fees payable to the Non-Executive Directors. Shareholders will therefore be required to approve annual fees of NGN 58,125,000.00 (fifty eight million, one hundred and twenty five million Naira only) for the Non-Executive Directors for the 2017 financial year. The proposed remuneration is maintained at the 2015 level.



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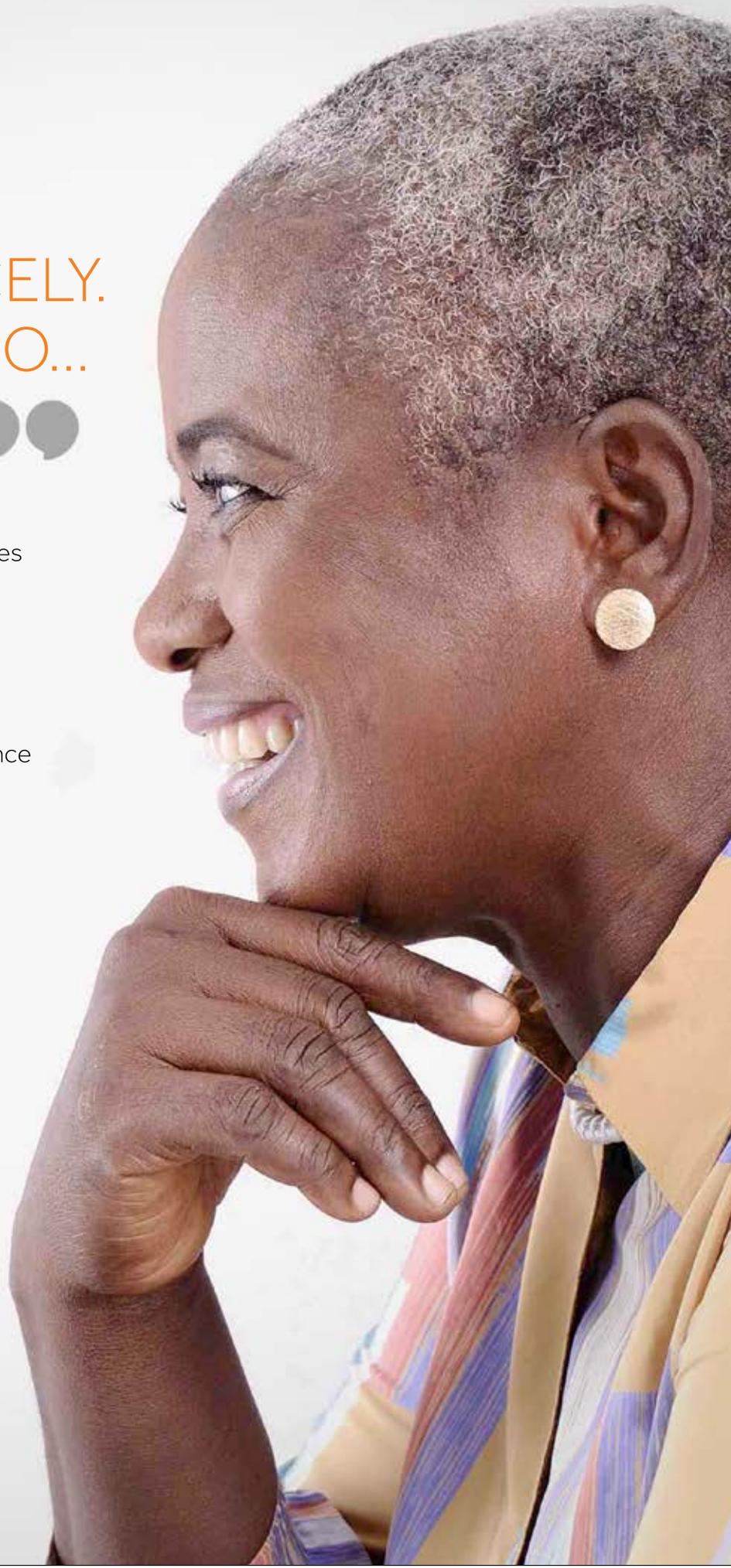
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 [www.accessbankplc.com](http://www.accessbankplc.com)



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# CAPITAL FORMATION

Timeline	Corporate Action	Number of Shares	Amount
05/11/1998	Public Issue for Cash	1,200,000,000	600,000,000
21/09/2001	Bonus	300,000,000	150,000,000
23/09/2001	Public Issue for Cash	1,200,000,000	600,000,000
31/03/2003	Bonus	300,000,000	150,000,000
30/08/2004	Bonus	1,000,000,000	500,000,000
31/08/2005	Bonus	1,158,746,000	579,373,000
31/09/2005	Public Issue for Cash	4,111,214,000	2,055,607,000
31/11/2005	Private Placement	499,358,000	249,679,000
31/12/2005	Share Exchange Capital & Marina Banks	4,187,003,722	2,093,501,861
31/10/2006	Share Reconstruction	(6,978,160,860)	(3,489,080,430)
31/07/2007	Public Issue for Cash	9,164,340,987	4,582,170,494
31/12/2008	IFC Loan Conversion to Equity	71,756,590	35,878,295
31/06/2009	Bond Conversion	47,788,360	23,894,180
31/06/2010	Bonus	1,626,204,679	813,102,340
23/01/2012	Share Exchange Intercontinental Bank	4,994,667,430	2,497,333,715
30/08/2015	Rights Issue	6,045,052,723	3,022,526,362
		<b>28,927,971,631</b>	<b>14,463,985,816</b>



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(To be stamped by  
bankers)

Please write your name at the  
back of your passport  
photograph

## E-MANDATE ACTIVATION FORM

### Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

#### The Registrar,

**UNITED SECURITIES LIMITED** RC 126257  
9, Amodu Ojikutu Street, Off Bishop Oluwole Street,  
Victoria Island, P.M.B 12753 Lagos, Nigeria.

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in Access Bank Plc

Only Clearing Banks are acceptable

Kindly quote your shareholder account no in the box below

Name of Company	Shareholder Number
-----------------	--------------------

Access Bank PLC	
-----------------	--

### Bank Verification Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Bank Name

Bank Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account Opening Date

### Shareholder Account Information

Surname / Company's Name

First Name

Other Names

--	--	--

Address:

City

State

Country

Previous Address (if any)

CHN (if any)

Mobile Telephone 1

Mobile Telephone 2

Email Address

Signature(s)

Company Seal (if applicable)

Joint\Company's Signatories

For inquiries, please call 01-2714566-7 or send e-mail to [customerscare@unitedsecuritieslimited.com](mailto:customerscare@unitedsecuritieslimited.com)

Website: [www.unitedsecuritieslimited.com](http://www.unitedsecuritieslimited.com) ; E-mail: [info@unitedsecuritieslimited.com](mailto:info@unitedsecuritieslimited.com) or the completed update form can also be submitted through any Access Bank Plc nearest to you.

"Access Bank Plc and United Securities Ltd hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically





# SHAREHOLDER'S INFORMATION UPDATE FORM



I/We wish to request that my/our details as (a) Shareholder(s) of Access Bank Plc be amended to reflect the following information:

DATE DD/MM/YYYY

SURNAME/NAME OF COMPANY

PHONE NUMBER

OTHER NAMES (FOR INDIVIDUAL SHAREHOLDER)

PRESENT POSTAL ADDRESS

CITY

STATE

EMAIL ADDRESS 1

EMAIL ADDRESS 2

SHAREHOLDER'S SIGNATURE OR THUMBPRINT

SHAREHOLDER'S SIGNATURE OR THUMBPRINT

AUTHORISED SIGNATURE & BANKER'S STAMP

INCORPORATION NUMBER WITH COMPANY SEAL

The completed form should be returned by post, or hand-delivered to the office of the Registrar, United Securities Ltd, 10, Amodu Ojikutu Street, Victoria Island, PMB 12753, Lagos. T: 01-730 0898, 01-714566 – 7 F: 01-2714568 E: info@unitedsecuritieslimited.com

or to the nearest Access Bank Plc branch, c/o Investor Relations Unit. E: investorrelations@accessbankplc.com. Scanned copies of the form are not acceptable as only originals will be processed.





# PROXY FORM



RC 125384

28TH ANNUAL GENERAL MEETING to be held at Balmoral Hall, Federal Palace Hotel, 6-8, Ahmadu Bello Way, Victoria Island, Lagos on Wednesday, March 29, 2017 at 10:00 a.m.

"I/WE

(Name of Shareholder in block letters)

Being a member/(s) of the above named Company hereby appoints Mrs. Mosun Belo-Olusoga or failing her Mr. Herbert Wigwe as my/our proxy to vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Wednesday, March 29, 2017 and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

SIGNATORY OF SHAREHOLDER

DATE: DD / MM / YYYY

ORDINARY BUSINESS / ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To receive the Group's Audited Financial Statements for the year ended December 31, 2016 and the Reports of the Directors, Auditors and Audit Committee thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a final dividend.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mrs. Mosun Belo-Olusoga, FCA as a Non-Executive Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. Paul Usoro, SAN as a Non-Executive Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect Mr. Adeniyi Adedokun Adekoya who was appointed as an Independent Non-Executive Director by the Board since the last Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To elect Mr. Iboroma Tamunoemi Akpana who was appointed as an Independent Non-Executive Director by the Board since the last Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To elect Dr. Gregory Ovie Jobome who was appointed as an Executive Director by the Board since the last Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorise the Directors to fix the remuneration of the Auditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To elect/re-elect members of the Audit Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPECIAL BUSINESS/ORDINARY RESOLUTION	FOR	AGAINST	ABSTAIN
10. That the Directors' fees for the financial year ending December 31, 2017 be and is hereby fixed at NGN 58,125,000.00 (fifty eight million, one hundred and twenty five thousand Naira only).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### IMPORTANT NOTES:

- Before posting the above proxy, please tear off this part and retain it. A person attending the Annual General Meeting of the Bank or his proxy should produce this card to secure admission to the meeting.
- A member of the Bank is entitled to attend and vote at the Annual General Meeting of the Bank. He is also entitled to appoint a proxy to attend and vote instead of him, and in this case, the above card may be used to appoint a proxy.
- In line with best practice, the name of two Directors of the Bank have been entered on the proxy form to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the black space on the form (marked\*) the name of any person, whether a member of the Bank or not who will attend and vote on your behalf instead of one of the Directors named.
- The above proxy, when completed must be deposited at the office of United Securities Limited, Plot 009 Amodu Ojikutu Street, off Bishop Oluwole Street, Victoria Island, Lagos, not less than 48 hours before the time fixed for the meeting.
- It is a requirement of the law under the Stamp Duties Act, Cap 58, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty.
- If proxy form is executed by a company, it should be sealed under its common seal or the hand and seal of its attorney.

Please indicate with an 'X' in the appropriate box how you may wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

SIGNATORY OF SHAREHOLDER

Before posting the above form please tear off this part and retain it for admission to the meeting

### ADMISSION CARD ACCESS BANK PLC RC 125,384

28th Annual General Meeting to be Held At Balmoral Hall, Federal Palace Hotel, 6-8, Ahmadu Bello Way, Victoria Island, Lagos, on Wednesday, March 29, 2017 at 10:00 a.m.

Name and Address of Shareholder .....

Number of Shares Held .....





# INVESTORS' ENQUIRIES AND COMPLAINTS MANAGEMENT POLICY

## 1. SCOPE AND OBJECTIVES OF THE POLICY

This Investors Enquiries and Complaints Management Policy ('the Policy') sets out the manner and circumstances in which the shareholders of Access Bank Plc ('the Bank or Access Bank') may contact the Bank regarding their shareholding interest in the Bank and how the Bank will assist to address the shareholders' concerns. It provides guidance to the individuals within the Bank that are responsible for handling and resolving shareholders' complaints or enquiries. The policy provides for efficient, fair and timely management and resolution of shareholders' enquiries and complaints.

The policy is made pursuant to the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market and the implementing Circular Number NSE/LARD/CIR6/15/04/22 issued by the Nigerian Stock Exchange.

The policy does not cover complaints and enquiries by the Bank's customers, suppliers or other stakeholders or complaints falling outside the purview of the Securities and Exchange Commission ('SEC'). The Bank's Registrars, United Securities Limited has its own complaint handling procedures and policies, which are not covered by this policy. The contact details of the Registrars are contained in Article 9 of this Policy.

## 2. STATEMENT OF COMMITMENT

Access Bank is committed to providing high standards of services for shareholders, including:

- i. Providing efficient and easy access to shareholders' information;
- ii. Enabling shareholders to have shareholders' related-matters acknowledged and addressed; and
- iii. Providing the means for shareholders' enquiries and complaints to be appropriately handled.

## 3. DEFINITIONS

Unless otherwise described in the Policy, the following terms and definitions apply throughout this policy:

- 3.1 Access Bank Plc' means the company which has its ordinary shares listed on the Nigerian Stock Exchange under ISIN Number NGA ACCESS 0005 and further identified with Legal Entity Identifier Number 029200328C3N9Y12D660.

- 3.2 Shareholder' means the registered owner of ordinary shares in Access Bank

- 3.3 Competent Authority' means the Nigerian Stock Exchange.

## 4. ENQUIRIES AND COMPLAINTS PROCEDURES

There are a number of ways shareholders can access relevant information about their shareholding and make related enquiries and complaints.

- 4.1 **Visiting the Bank's Website** Shareholders may visit the Bank's website at [www.accessbankplc.com](http://www.accessbankplc.com) for detailed information to assist them in managing their investments. Information available in the website include but not limited to calendar of key dates, useful shareholder forms, frequently asked questions and Annual General Meeting Notices.

- 4.2 **Contact our Registrar** Shareholders who wish to make an enquiry or complaint about their shareholding should first of all contact the Registrars, United Securities Limited (see the contact details in Article 9 of this policy). The Registrars manages and updates all the registered information relating to shareholdings, including shareholder name(s); payment of dividend; distribution of Annual Report and company's meeting notices; distribution of share certificates and e-allotment; change of shareholder's address, mandate and name filing of caution on shares and e-dividend mandate.

- 4.3 **The Web Registry Platform:** This is a web based platform provided by the Bank's Registrars to the Bank's shareholders. The platform affords shareholders the opportunity to enjoy the following services:

- i. Ability to generate, print or export their Statement of Shareholding.
- ii. Access to view certificate details, including dividend and other transaction history.
- iii. Ability to initiate certificate dematerialisation request and follow up on the status of the request independent of the stock broker prior to the broker submitting the physical documentation.
- iv. On-line change of address without having to write the registrar.

### How to Access the Web Registry Service

- i. Download form from the Registrars' website at [www.unitedsecuritieslimited.com](http://www.unitedsecuritieslimited.com)
- ii. Complete form and return to the Registrars
- iii. Pay an Annual Subscription fee of N1,000

- iv. Receive log-on detail and password
- v. Access portal on the Registrar's website.

The Web Registry provides a quick, convenient and secure way for conducting standard shareholders' enquiries and transactions.

#### 4.4. Investor Relations Desk at the Bank's Branches

Shareholders can visit any of the Bank's branches nationwide and submit their completed forms or complaint letters at the branch which are transmitted to the Investor Relations Unit for resolution or referred to the Registrar as the case may be.

### 5 ENQUIRIES AND COMPLAINTS TO THE BANK'S INVESTOR RELATIONS UNIT

Access Bank is committed to responding to shareholders' enquiries and complaints fairly and promptly, whether by email, telephone or post. The following actions will be taken upon receipt of an enquiry or complaint:

- 5.1 Complaints received by e-mail shall be acknowledged by e-mail within two (2) working days. Where complaints are received by post the Bank shall respond within five (5) working days of the receipt of the complaint. The Bank will respond using the same or similar medium that was used for the initial enquiry unless otherwise notified or agreed with the shareholder. The acknowledgement letter will typically contain the following information.
  - a) Details of how the complainant will be updated on the complaint status.
  - b) Name, designation and direct contact of the officer dealing with complaint.
  - c) Complaint management and resolution procedure and requirements
  - d) Anticipated closure time.
- 5.2 The Bank shall endeavor to resolve all complaints received by it within ten (10) working days (upon the shareholder meeting all conditions precedent) and notify the Competent Authority within two (2) days of the resolution.
- 5.3 Where the complaint is not resolved within the given time frame, the Complainant may refer the complaint to the Competent Authority within two (2) working days enclosing a summary of events leading to the referral and copies of relevant supporting documents.

### 6. RECORDING OF ENQUIRIES AND COMPLAINTS AND REPORTING

The Bank shall maintain an Electronic Register for Complaints and Enquiries. The register shall contain the following information:

- i. The date that the enquiry or complaint was received;
- ii. Name of the shareholder;
- iii. Telephone number, e-mail address or other contact

details;

- iv. Nature of enquiry or complaint;
- v. Details of enquiry
- vi. Whether there is any cost associated;
- vii. Action taken;
- viii. Copy of all correspondence sent to the shareholder
- ix. Remarks and Comments.

The Company Secretary shall compile and file electronic copies of the report to the Nigerian Stock Exchange on a quarterly basis at ir@nse.com.ng or any other e-mail address as may be advised by the Nigerian Stock Exchange.

### 7. LAISON WITH THE BANK'S REGISTRAR

In investigating a shareholder's enquiry, complaint or feedback, the Bank may liaise with the Registrar. If necessary, the Bank's engagement with the Registrar will include:

- i. Determining the facts;
- ii. Determining what action has been taken by the Registrar (if any); and
- iii. Coordinating a response with the assistance of the Registrar.

### 8. CONDITIONS FOR CLOSURE

The Bank shall consider a complaint closed in any of the following situations

- i. When the Bank has fully complied the shareholder's request fully
- ii. Where the shareholder has accepted the Bank's response
- iii. Where the shareholder has not responded to the Bank within 4 weeks of receiving the letter of closure
- iv. Where the Bank's Company Secretary or the General Counsel has certified that the Bank has met its contractual, statutory or regulatory obligation.
- v. Where the shareholders reverts with a fresh complaint after a letter of closure has been sent.

### 9. REGISTRAR'S CONTACT DETAILS

The Bank's Registrar, United Securities Limited may be contacted through the following means

#### Office Address

Plot 009, Amodu Ojikutu Street, Off Bishop Oluwole Street.  
Victoria Island, Lagos, Nigeria  
Telephone: +234 (1) 271 4566, +234 (1) 271 4567  
E-mail: info@unitedsecuritieslimited.com

### 10. THE BANKS INVESTOR RELATIONS UNIT

Shareholders seeking more information about the Bank may contact the Investor Relation Unit at:

Plot 999C Danmole Street  
Off Idejo Street  
Victoria Island, Lagos  
Telephone: +234(1) 2804130  
Email: investorrelations@accessbankplc.com

### 11 PUBLICATION

This policy is available on the Bank's website at www.accessbankplc.com



## **12. RESOURCES**

The Bank shall provide sufficient resources so that shareholders enquiries and complaints may be dealt with adequately and in an efficient and timely manner.

## **13. CHARGES AND FEES**

Wherever possible and subject to statutory requirement, Access Bank will not charge shareholders for making enquiries, giving feedback, providing a response or for any aspect in the course of resolving a shareholder's matter. The Registrar may however reserve the right to charge the shareholders for value adding services.

## **14. REVIEW**

The Bank will regularly review this policy and the procedure concerning shareholders' enquiries and complaint. Any changes or subsequent versions of this policy shall be published in the Bank's website at [www.accessbankplc.com](http://www.accessbankplc.com).

6

# CORPORATE INFORMATION



A Directory of Access Bank's  
offices, ATM Locations, Sub-  
sidiaries and Correspondent  
Banks Worldwide.



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Branch Networks and Onsite ATM Locations	296
Offsite ATM Locations	304
Subsidiaries' Addresses	311
Correspondent Banks	312

# BRANCH NETWORK

S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
1	Aba	Abia	4, Ezikwu Road, Aba, Abia State	08126416099
2	Azikwe Road Aba	Abia	15, Azikiwe Road, Aba, Abia State.	08126415964
3	Faulks Road	Abia	132 , Faulks Road, Aba, Abia State .	08126415982
4	Umuahia	Abia	6, Library Avenue, Umuahia, Abia State.	08126415981
5	Umudike	Abia	Uni. of Agriculture, Umudike Main Campus, Umudike.	08126416046
6	Abuja Nnpc Towers	Abuja	Blk B NNPC Towers, H/Macaulay Way, Cbd, Fct, Abuja.	07085466806
7	Adetokunbo Ademola	Abuja	Plot 833, Adetokunbo Ademola Cr. Wuse 2, Abuja.	08089046004
8	Aminu Kano Abuja	Abuja	Plot 1195, Aminu Kano Crescent, Wuse 2, Abuja.	08120620632
9	Asokoro	Abuja	Plot 87, Yakubu Gowon Crescent, Asokoro, Abuja.	07084563620
10	Bank Of Industry Abuja	Abuja	Plot 256, Herbert Macaulay Way, Wuse, Zone 6,	07019543892
11	Dei Dei	Abuja	Zone B2.582, Dei Dei Building Material Intl Mkt, Dei Dei, Fct.	07081561000
12	Durumi	Abuja	Plot 1037, Shafa Shopping Centre, By Old Federal Secretariat, Fct.	07010023218
13	Enugu House	Abuja	Plot 81, Ralph Shodeinde Str, Central Business District,	08024788907
14	Fed Min Of Justice	Abuja	Fed. Min. of Justice Complex, Off Shehu Shagari Way, Maitama,	08080100247
15	Fed Sect. Abuja	Abuja	Phs 1, Blk 4A, 015, Fed. Secr. Complex, Central Business District,	08085399376
16	Federal Mortgage Bank	Abuja	Plot 266, Cadasral Oa, Central Business. District	07083896555
17	Garki	Abuja	Plot 599, Cadastral Zone A3, Gwarjo Cls, Off Gimbiya St, Garki,	08089256779
18	Garki	Abuja	Plot 1231, Ahmadu Bello Way, Garki, Area li, Fct.	08121384293
19	Gwagwalada	Abuja	353, Specialist Hospital Road, Gwagwalada, Fct,	08127128890
20	Herbert Macaulay	Abuja	Pppra Building, Plot 1012 Cadastral Zone, Central Bus. District	08120797446
21	Jos Street Abuja	Abuja	6 Jos Street, Area 3, Garki, Fct, Abuja.	07012257229
22	Karu	Abuja	Plot 312, Nyanya Sports Ctr. Layt, Cadastral Zone, Karu District	08084923436
23	Kubwa	Abuja	Plot 59, Gado Nasko Road, Kubwa, Abuja.	08121393678
24	Ladoke Akintola Blvd	Abuja	Plot 1244, Ladoke Akintola Boulevard, Garki , Abuja.	07013879946
25	Maitama	Abuja	50, Gana Street ,Cadastral Zone A05, Maitama, Fct, .	08084321262
26	Nasda	Abuja	Nasrda Complex, Obasanjo Space Ctr, Airport Rd, Lugbe.	08126408476
27	National Assembly	Abuja	Nat. Ass. Complex, White House Sen. Wing, 3 Arm Zone.	08029894126
28	Utako	Abuja	Plot 903, Obafemi Awolowo Way, Utako, Fct, Abuja.	08024789071
29	Wuse	Abuja	Plot 2401 Cadastrals Zone A7, Wuse, Fct, Abuja	08027132125
30	Wuse Market	Abuja	Wuse Market, Wuse Zone 5. Abuja	08120797214
31	Yola	Adamawa	30, Abubakar Atiku Way, Yola, Adamawa State.	08021490008
32	Aka Road	Akwa Ibom	32, Aka Road, Uyo, Akwa Ibom State.	08126413070
33	Eket	Akwa Ibom	64,Grace Bill Road, Eket, Akwa Ibom State.	08126413138
34	Ikot Ekpene	Akwa Ibom	1, Abak Road, Ikot Ekpene, Akwa Ibom State.	08126413217
35	Oron	Akwa Ibom	180, Oron Road, Oron, Akwa-Ibom State.	07012167424
36	Uyo	Akwa Ibom	21, Wellington Basseyy Way, Uyo, Akwa Ibom State.	08126413003
37	Awka	Anambra	Km 41, Enugu-Onitsha Exp. Way, Regina Caeli Junction, Awka.	07088340150



S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
38	Awka	Anambra	222, Zik Avenue, Awka, Anambra State	07086394642
39	Bridge Head	Anambra	48, Port Harcourt Road, Bridge Head, Onitsha.	08081343797
40	Ekwulobia Main	Anambra	21, Uga Road, Ekwulobia, Anambra State.	08126411196
41	Ihiala	Anambra	5, Umudimogu Road, Off Orlu Road, Ihiala.	08126416105
42	New Market Road	Anambra	14, New Market Road, Onitsha, Anambra State.	08126411093
43	New Market Road	Anambra	30, New Market Road, Onitsha, Anambra State.	08126410878
44	Nnewi	Anambra	2, Edo Ezemewi Road, Nnewi, Anambra State.	08126410864
45	Ogidi	Anambra	Km7, Osha-Enugu Exp/Way, Building, Matrl. Mkt, Ogidi.	08126411162
46	Stock Exchange	Anambra	4, Ridge Road, Stock Exchange Complex, Onitsha.	08126411040
47	Umunze	Anambra	10, Ogbunka Road, Orumba North Local Govt, Umunze.	08122770022
48	Unizik	Anambra	Bank Plaza, Nnamdi Azikiwe University, Awka,	08028566731
49	Upper Iweka	Anambra	Upper Iweka, New Electronic Mkt, Onitsha,	08126410983
50	Bauchi	Bauchi	5, Bank Road, Bauchi.	08028099713
51	Mbiama Yenagoa Rd	Bayelsa	Mbiama/Yenagoa Rd, Onopa Yenagoa,	08126415429
52	Twon Brass	Bayelsa	Opposite Agip Gate Twon Brass, Bayelsa State.	08126414580
53	Gboko	Benue	Km 72, Benue Cement Factory, Makurdi -Gboko Rd.	09025377552
54	Gboko Main	Benue	5/7, J.s. Tarka Way, Gboko, Benue State.	08086069644
55	Makurdi	Benue	Plot 417, Gboko Road, Wurukum, Makurdi.	08125114759
56	Makurdi	Benue	83, Olotuukpo Road, Makurdi.	08020560555
57	Oturkpo	Benue	19, Federal Road, Oturkpo, Benue State.	08126408569
58	Zaki Ibiam	Benue	1, Kafe Clinic Str, Y-Jctn, Off Katsina Road, Zaki Biam.	08126408593
59	Biu	Borno	I, Damaturu Road, Biu, Maiduguri, Borno State.	08022145155
60	Maiduguri	Borno	24, Sir Kashim Ibrahim Way, Maiduguri.	08087665863
61	Calabar	Cross River	16/18, Bogobiri Road, Calabar.	07081361795
62	Calabar Road	Cross River	10, Calabar Road, Calabar.	08024173668
63	Ogoja	Cross River	Plot 22, Hospital Road, Igoli, Ogoja.	08126413166
64	Agbor	Delta	126, Old Asaba Road, Agbor.	08126411259
65	Asaba	Delta	417B, Nnebisi Road, Asaba.	07012771675
66	Deco Road	Delta	Okumagba Avenue, Deco Road, Warri.	08126410858
67	Effurun Sapele Road	Delta	80, Effurun-Sapele Road, Warri, Delta State.	08126410861
68	Sapele	Delta	82, Sapele/Warri Road, Sapele, Delta State.	07086895634
69	Abakaliki	Ebonyi	41, Ogoja Road, Abakaliki, Ebonyi State.	08029236394
70	Abakaliki Branch 2	Ebonyi	50 Afikpo Road, Abakaliki, Ebonyi State	07015421957
71	Airport Road	Edo	23, Airport Road, Benin City, Edo State.	08126410357
72	Auchi	Edo	33, Poly Road, Auchi, Edo State.	08126410751
73	Benin	Edo	45, Akpakpava Street, Benin City, Edo State.	08126410659
74	Ekpoma	Edo	6, Akhere Lane, Ekpoma, Edo State.	08126410611
75	Ihama	Edo	62A, Ihama Road, Gra, Benin, Edo State	08126410371
76	Mission Road	Edo	70, Mission Road, Benin City, Edo State.	08123049679

## BRANCH NETWORK

S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
77	Okada	Edo	New Site, Igbinedion University Campus, Okada.	08126410724
78	Sapele Road	Edo	164, Sapele Road, Benin City.	08126408906
79	Textile Mill Road	Edo	74, Edo Textile Mill Road , Benin City.	08126410573
80	Uniben	Edo	Ransome Kuti Rd, Uni. of Benin.	08126410725
81	Uselu	Edo	170, Uselu Lagos Road, Benin City.	08126410369
82	Ado Ekiti	Ekiti	144, Secretariat, Iyin, Ekiti State.	08126412630
83	Ajilosun	Ekiti	Ajilosun Road	09073095687
84	Ijero Ekiti Cash Centre	Ekiti	27, Market Square, Ijero Computer Centre Mkt Sqr. Ijero.	08126112686
85	Ikere	Ekiti	College Of Education, Ikere	08126412686
86	Ipoti	Ekiti	3 Odo Owa Road, Ipoti	08126412786
87	Unad	Ekiti	Ekiti State University Campus	08126412670
88	Abakaliki Road, Enugu	Enugu	Plot 9, Ebeano Housing Estate, Garden Ave. Abakaliki Rd,	08126409870
89	Abakpa Nike	Enugu	Block 16, Plot 7, Nike Rd, Liberty Bus Stop, Abakpa.	08087603373
90	Agbani Road	Enugu	183, Agbani Rd, Enugu Town.	08024791318
91	Enugu Road	Enugu	12, Enugu Road, Nsukka, Enugu State.	08126409818
92	Enugu State University	Enugu	Enugu State University, Agbani Town, Enugu State.	08024791315
93	Kenyatta	Enugu	42, Kenyatta Street, Uwani, Enugu, Enugu State.	08024791309
94	Ogui Road	Enugu	67, Ogui Road, By Nnamdi Azikiwe Stadium, Ogui.	08126409851
95	Okpara Avenue	Enugu	5, Okpara Avenue, Enugu, Enugu State.	08126409867
96	University Of Nigeria	Enugu	University Of Nigeria, Enugu Campus.	08126409877
97	Unn Nsukka	Enugu	University Of Nigeria, Nsukka, Enugu State.	07019570480
98	Ashaka Cash Centre	Gombe	Ashakacem Factory Complex, Ashaka, Gombe State.	08084360691
99	Dukku	Gombe	Gona Quarters, Along Gombe-Kano Rd, Dukku.	08126559089
100	Gombe	Gombe	24, New Market Road, Gombe.	08023904011
101	Kumo	Gombe	Emir Palace Road Kumo, Akko.	08126408088
102	Yamaltu Deba	Gombe	Deba Gra, Yamaltu/Deba, Gombe State.	08022324821
103	Bank Road Owerri	Imo	4A, Bank Road, Owerri.	08126416217
104	Mbaise	Imo	Eke-Ahiara Junction, Mbaise, Imo State.	08126412948
105	Nekede	Imo	Federal Polytechnic, Nekede, Imo State	08126416240
106	Orlu	Imo	2, Asika Ilobi Avenue, Orlu, Imo State.	08126412927
107	Owerri	Imo	117, Wetheral Road, Owerri, Imo State.	08126412951
108	Dutse	Jigawa	Plot 10/11, Sani Abacha Way, Dutse, Jigawa State.	08085708338
109	Kazaure	Jigawa	Along Kano-Duara Rd, Kazaure, Jigawa State.	08126408225
110	Ahmadu Bello Way	Kaduna	A2, Ahmadu Bello Way, Kaduna, Kaduna State.	08126407661
111	Ali Akilu Road	Kaduna	26D, Ali Akilu Road, Kaduna, Kaduna State.	08027637647
112	Gumi Main Market	Kaduna	1A, B2 Ibrahim Taiwo Road, Gumi Market,	08126407693
113	Kachia Road Kaduna	Kaduna	314, Kachia Road, Kaduna, Kaduna State.	08126408461
114	Kaduna	Kaduna	16/20, Bida Road, Kaduna, Kaduna State.	08121370466
115	Kafanchan	Kaduna	19, Kagoro Road, Kafanchan, Kaduna State.	08024790556



S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
116	NNPC Refinery Kaduna	Kaduna	KRPC/ NNPC Complex Km 16, Kachia Road.	08126407690
117	Ungwan Rimi	Kaduna	7, Kwato Road, Ungwan Rimi GRA, Kaduna.	08126408422
118	Zaria	Kaduna	16,River Road, Zaria, Kaduna State.	08026196935
119	Aminu Kano T/Hospital	Kano	Aminu Kano Teaching Hospital.	08027513292
120	Bank Road,Kano	Kano	3B, Bank Road, Kano.	08126408122
121	Bayero University	Kano	Bayero University,Bayero Main Campus.	08126408134
122	Bello Road Kano	Kano	24, Bello Road, Kano.	08080519622
123	Bichi	Kano	Along Katsina Road, By Bichi Junction, Kano.	08126408152
124	France Road	Kano	17/18, France Road, Kano.	08126408274
125	Kano	Kano	12B, Post Office Road, Kano.	08123539726
126	Katin Kwari	Kano	Ibrahim Taiwo Road, Katin Kwari.	08126408130
127	Mur Mohammed Way,	Kano	146, Murtala Mohmd Way, Kano.	08126408091
128	Singer Market	Kano	48E, Ado Bayero, Kano	08029133287
129	Daura	Katsina	Along Kano Road, Daura.	08126407789
130	Funtua	Katsina	126, Zaria Road, Funtua.	08126407742
131	Katsina	Katsina	106, IBB Way, Katsina.	08126407769
132	Katsina	Katsina	109, IBB Way , Katsina.	08126407787
133	Malumfashi	Katsina	11/12, Funtua Yashe Road, Malumfashi.	08126407800
134	Birnin Kebbi	Kebbi	1 Jos Road GRA,Birnin Kebbi.	08024791649
135	Anyigba Branch	Kogi	Plot 4022, Okohi, Anka, Road, Anyigba	09072028094
136	Lokoja	Kogi	82, Lokoja-Kabba Road, Lokoja.	08126408614
137	Obajana	Kogi	Access Bank, Opp. Dangote Cem. Factory, Obajana.	08120797482
138	Okene	Kogi	46, Lagos-Abuja Road, Okene.	08126408826
139	Folawiyo Street	Kwara	24, Wahab Folawiyo Road, Ilorin.	08136415698
140	Ilorin	Kwara	199A, Stadium Shopping Cmplx, Ibrahim Taiwo Rd, Ilorin.	08126415701
141	Reservation Road	Kwara	29A, Reservation Road Gra, Ilorin.	08024790849
142	Adeniji Adele	Lagos	Oba Adeniji Adele Plaza, Adeniji Adele,	08126411544
143	Adeniran Ogunsanya	Lagos	71, Adeniran Ogunsanya Street, Surulere,	08126413489
144	Adeniyi Jones	Lagos	53, Adeniyi Jones, Ikeja, Lagos State	08126414611
145	Adeola Hopewell	Lagos	Plot 1697, Adeola Hopewell, Victoria Island.	08126416499
146	Adeola Odeku	Lagos	11A, Adeola Odeku Street, Victoria Island.	08126416689
147	Adeola Odeku	Lagos	44, Adeola Odeku Street , Victoria Island.	08126416568
148	Adetokunbo Ademola	Lagos	30A Adetokunbo Ademola Street, Victoria Island,	08126416586
149	Adeyemo Alakija	Lagos	1, Idowu Taylor Str, Commerce House, V./Island.	08126416668
150	Agege	Lagos	653, Abeokuta Exp. Rd, Abule Taylor, Abule-Egba.	08127132102
151	Aguda	Lagos	5, Enitan Street, Aguda, Surulere.	08126413808
152	Agudosi	Lagos	4 Agudosi Str, Off Ojo Road, Alaba Intl Market, Alaba,	08086845649
153	Ajao Estate	Lagos	55, Muritala Mohammed Airport Rd, Ajao Estate, Isolo.	08126411970
154	Ajose Adeogun	Lagos	287, Ajose Adeogun Street, Victoria Island.	08123796959

## BRANCH NETWORK

S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
155	Alaba Intl Mkt	Lagos	44/45 Alaba International Market Road, Alaba.	08126414176
156	Alagbado	Lagos	Km32, Daniel Farm, Lag/Abeokuta Exp. way, Agege.	08126413885
157	Alausa	Lagos	183, Obafemi Awolowo Rd, Alausa, Ikeja.	08126414660
158	Alfred Rewane Road	Lagos	1, Alfred Rewane Road, Ikoyi.	08126411594
159	Allen Avenue	Lagos	13, Allen Avenue, Ikeja.	08126414627
160	Allen Avenue	Lagos	92, Allen Avenue, Ikeja,	08126647233
161	Aspamda	Lagos	Zone B, R4 Mercy Caf, Aspamda Plaza, Ojo.	08126414346
162	Awolowo Road	Lagos	58, Awolowo Road, Ikoyi.	08126411489
163	Awolowo Road	Lagos	87, Awolowo Road , Ikoyi.	08126411670
164	Ayobo	Lagos	158, Ayobo-Ipaja Road, Ayobo.	08120860105
165	Bode Thomas	Lagos	42, Bode Thomas Street, Surulere.	08126413537
166	Broad Street	Lagos	115/117, Broad Street, Lagos Island.	08127132115
167	Broad Street	Lagos	32, Broad Street, Lagos Island.	08126411716
168	Burma Road Apapa	Lagos	4, Burma Road, Apapa.	08126415799
169	Commercial Road	Lagos	8/10, Commercial Road, Apapa.	08023322208
170	Creek Road	Lagos	24A, Creek Road, Apapa.	08027638559
171	Daleko	Lagos	Shop 822/839 Bank Rd, Daleko Market, Mushin.	08126411952
172	Dopemu	Lagos	92 Lagos/Abeokuta Expressway, Dopemu.	08126413917
173	Egbeda	Lagos	35, Akowonjo Road, Egbeda.	08126413925
174	Ejigbo	Lagos	Along Ejigbo/Ikotun Rd, Opp Nnpc Junc., Ejigbo.	08126413930
175	Festac	Lagos	4th Avenue, Festac.	08126414306
176	Festac 2 Branch	Lagos	Plot 650A,32 Road 3Rd Avenue, Festac.	08086405911
177	Gbagada	Lagos	Plot 286, Oshodi Apapa Exp/way, Gbagada Phase I,	08085797558
178	Ibafon	Lagos	Plot 24, Opposite Ibru Jetty, Olodi Apapa.	08028456418
179	Iddo	Lagos	Iddo Shopping Complex, Iddo.	08084198704
180	Idejo Street	Lagos	Plot 161E, Idejo Str, Off Adeola Odeku, V/ Island,	08126416604
181	Idi-Araba	Lagos	College Of Medicine, Ishaga Road, Idi-Araba.	08126413819
182	Idimu	Lagos	71, Egbeda/Idimu Road, Idimu.	08128846719
183	Idumota	Lagos	122 Nnamdi Azikwe Street, Idumota.	08028723278
184	Ifako-Gbagada	Lagos	6 Diya Street, Ifako-Gbagada.	08027377669
185	Ijeshatedo	Lagos	206, Ijesh Road, Ijeshatedo, Surulere.	08126413613
186	Iju	Lagos	134 Water Works Road, Iju-Ishaga.	08126413981
187	Ikorodu	Lagos	7, Ayangburen Road, Ikorodu.	08126412001
188	Ikorodu	Lagos	68, Lagos Road , Ikorodu.	08126412153
189	Ikota	Lagos	Suite E 79-81 & 116-118 Vgc, Ikota Shp. Com. Ikota.	08080366572
190	Ikotun	Lagos	4, Ikotun Junction, Ikotun.	08126413937
191	Ilupeju	Lagos	25A, Ilupeju Bye-Pass, Ilupeju.	08126411909
192	Ilupeju	Lagos	11, Town Planning Way, Ilupeju.	08126411316
193	Ipaja	Lagos	171, Abeokuta Expressway, Iyana Ipaja.	08123298906



S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
194	Ire Akari	Lagos	1, Godwin Omonua Street, Ire Akari Estate, Isolo.	08126411893
195	Isolo	Lagos	113, Okota Road, Okota, Isolo.	08126411995
196	Issa Williams	Lagos	27/29, Issa Williams Street, Lagos Island.	08122882057
197	Jibowu	Lagos	38/40, Ikorodu Road, Jibowu.	08126411382
198	Keffi Street	Lagos	13, Keffi Street, Off Awolowo Rd, Ikoyi.	08086769321
199	Ketu	Lagos	533, Ikorodu Road, Ketu, Lagos State	08127132093
200	Kosoko Street	Lagos	52/54, Kosoko Street, Lagos Island, Lagos State	08126411807
201	Lasu	Lagos	Km 20, Lagos Badagry Express Way, Ojo, Lagos State	08126414084
202	Lawanson	Lagos	87, Itire / Lawanson Road, Surulere, Lagos State	08126413838
203	Lekki	Lagos	Plt 7, Blk 2, Oniru Private Estate, Lekki, Lagos State	08126416748
204	Lekki Chevron	Lagos	Km 17, Lekki Epe Exp.way, Chevron Rd/About, Lekki.	08126416285
205	Ligali Ayorinde	Lagos	Plot 15, Ligali Ayorinde, Victoria Island,	08126416654
206	Marina	Lagos	48, Marina Street, Lagos Island, Lagos State	07011775632
207	Marina B.o.i.	Lagos	23, Bank Of Industry Buliding, Broad Street, Marina,	08126411528
208	Maryland	Lagos	6, Mobolaji Bank-Anthony Way, Ikeja, Lagos State	08126412364
209	Matori	Lagos	125 Ladipo Street, Matori, Lagos State	08126411340
210	Maza Maza	Lagos	17, Sikiru Otunba Str, Old Ojo Rd, Badagry Exp.way.	08126414307
211	Moloney	Lagos	34, Moloney Street, Lagos Island,	08121859652
212	Muri Okunola	Lagos	211 Muri Okunola Street Victoria Island.	08126416712
213	Muritala Mohamed Way	Lagos	68/70 Muritala Mohammed Way, Oyingbo, Ebute-Metta,	08126415942
214	Mushin	Lagos	279, Agege Motor Road, Mushin, Lagos State	08126411362
215	Nahco	Lagos	Nahco Complex 1, MM Intl Airport Rd, Ikeja,	08020708291
216	Nnamdi Azikwe Idumota	Lagos	68, Nnamdi Azikwe Road Street, Idumota.	08122097188
217	Oba Akran	Lagos	23-25, Oba Akran Ave, Off Awolowo Way, Ikeja.	08126414685
218	Obafemi Awolowo Way	Lagos	77, Obafemi Awolowo Way (Man House), Ikeja.	08126414725
219	Odogunyan	Lagos	Opp. 2nd Gate Lagos Polytechnic, Odogunyan, Ikorodu,	08126412163
220	Ogba	Lagos	40A/40B, Ogba Ijaiye Road, Ogba, Lagos State	08087193698
221	Ogunlana Drive	Lagos	150, Ogunlana Drive, Surulere, Lagos State	08126413385
222	Ojodu Berger	Lagos	Plot 101, Isheri Road, Berger, Lagos State	08126412295
223	Ojota	Lagos	1A, Ogudu Road, Ojota, Lagos State	08126412228
224	Ojuelegba	Lagos	78, Ojuelegba Road, Tejuosho, Yaba, Lagos State	08126413630
225	Old Alaba Motor Park	Lagos	Old Alaba Motor Park, Off Ojo Igbede, Ojo, Lagos State	08126414078
226	Old Ojo	Lagos	153, Old Ojo Road, Kuje-Amuwo, Agboju, Lagos State	08126415877
227	Onikan	Lagos	30, King George V Road, Onikan, Lagos Island,	08126411538
228	Opebi	Lagos	23, Opebi Road, Ikeja, Lagos State	08126414753
229	Oregun	Lagos	51, Kudirat Abiola Way, Oregun Road, Ikeja,	07011311266
230	Orile Coker	Lagos	3, Alhaji Owokoniran Street, Orile Coker, Lagos State	08123635993
231	Oshodi	Lagos	Charity Bus Stop, Oshodi, Lagos State	08126411882
232	Oyin Jolayemi	Lagos	Plot 1665, Oyin Jolayemi Street, Victoria Island.	08126416479

## BRANCH NETWORK

S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
233	Palm Avenue	Lagos	56, Palm Avenue, Mushin, Lagos State	08126411323
234	Point Road	Lagos	1, Point Road, Apapa, Lagos State	08120797474
235	Sabo	Lagos	290, Herbert Macaulay Way, Sabo, Yaba,	08126413771
236	Saka Tinubu	Lagos	44A, Saka Tinubu Str, Off Adeola Odeku Street, VI,	08126416417
237	Satellite Town	Lagos	438, Old Ojo Road, Abule - Ado, Satellite Town,	08126414317
238	Simbiat Abiola	Lagos	20, Simbiat Abiola Road, Ikeja,	08126414698
239	Somolu	Lagos	47, Mkt/Odunlami Street, Somolu, Lagos State	07081792126
240	St Finbarrs	Lagos	67, St Finbarrs Road, Akoka, Yaba, Lagos State	08126413859
241	Tejuosho	Lagos	31, Tejuosho Street, Yaba, Lagos State	08126413872
242	Tincan	Lagos	1 Tincan Lighter Terminal, Kirikiri, Lagos State	08122549686
243	Toyin Street	Lagos	54, Toyin Street, Ikeja, Lagos State	08126414813
244	Trade Fair	Lagos	45 Atiku Abubakar Hall, Bba Trade Fair Complex, Bdgy. Exp.	08126414326
245	University Of Lagos	Lagos	Univeristy Of Lagos, Akoka, Yaba,	08126413453
246	Wharf Road	Lagos	13-15 Wharf Road, Apapa, Lagos State	08120797398
247	Lafia	Nasarawa	No 32, Jos Street, Lafia, Nasarawa State.	08083102390
248	Mararaba	Nasarawa	Plot 3316, Abuja Keffi Expressway, Mararaba,	08127132120
249	Bida	Niger	Along Bcc Road, Bida, Niger State	08082025249
250	Minna	Niger	1, David Mark Road, Tunga Round About, Minna,	08080366620
251	Minna	Niger	2, Old Airway Road, Off Boso Road, Minna,	08180277868
252	Suleja	Niger	19, Suleiman Barau Road, Suleja, Niger State.	08128869064
253	Suleja Depot Cash Centre	Niger	Nnpc Depot, Suleja, Niger State.	07084707923
254	Agbara	Ogun	Plot 2Ca/4 Ilaro Rd, Agbara Industrial Estate, Agbara,	08126414207
255	Covenant	Ogun	Km 12, Idiroko Express Way, Otta.	08029378397
256	Fajuyi Road	Ogun	1-5 Fajuyi Road, Sapon Area, Abeokuta.	08126412746
257	Ijebu-Ode	Ogun	19, Ibadan Road, Ijebu-Ode, Ogun State.	08024789175
258	Ilaro	Ogun	Plot 1, Ona Ola Quarters, Ilaro, Ogun State.	08024788919
259	Oke Ilewo	Ogun	1, Lalubu Street, Oke Ilewo, Ibara, Abeokuta.	08126412753
260	Oou Branch	Ogun	Olabisi Onabanjo University	07011037883
261	Osiele	Ogun	Federal College Of Education Osiele Abeokuta	08126412767
262	Otta	Ogun	145, Lagos-Abeokuta Express Way, Sango-Otta.	08024788993
263	Rccg Camp	Ogun	RCCG Camp, Km 46/85, Lagos/Ibadan Exp. way, Mowe,	08126412756
264	Sagamu	Ogun	71, Akarigbo Rd, Sagamu.	08126412784
265	Adekunle Ajasin University	Ondo	Adekunle Ajasin University, Akungba Akoko.	07017872068
266	Ado Owo Road	Ondo	11, Ado Owo Road, Akure,	08126412842
267	Akure	Ondo	126, Oba Adesida Road, Akure,	08126412801
268	Ondo	Ondo	7, Yaba Road, Ondo,	07018405057
269	Ile Ife	Osun	No 5 Lagere, Ile Ife, Osun State	07082092120
270	Ilesha	Osun	107A, Orinkiran Street, Oshogbo Road, Ilesha,	08126414602
271	Oau Ile Ife	Osun	Obafemi Awolowo University Campus, Ile-Ife,	08126412887



S/N	BRANCH	STATE	ADDRESS	PHONE NUMBER
272	Oshogbo	Osun	Plot 10, Gra-Station Road, Behind Post Office, Oshogbo,	08126414609
273	Bodija	Oyo	Plot 32, Ui Road, Bodija, Ibadan, Oyo State.	08126412366
274	Bodija	Oyo	Plot 6, University Crescent, Ui Sec Road, Ibadan.	08024791050
275	Challenge	Oyo	Challenge Roundabout, Ibadan, Oyo State.	08081764237
276	Dugbe Market	Oyo	1 Jimoh Odutola Street, Dugbe Market, Ibadan,	07018511540
277	Ekotedo	Oyo	50, Adekunle Fajuyi Road, Eko Tedo Iya-Olobe, Ibadan.	08126412484
278	Iwo Road	Oyo	4, Iwo Road, Ibadan, Oyo State.	08126412411
279	Iwo Road	Oyo	37, Iwo Road, Ibadan, Oyo State.	08126412628
280	New Court Road	Oyo	34, New Court Road, Dugbe, Ibadan.	08089706148
281	Ogbomoso	Oyo	Oke-Apake Area, Ogbomoso, Oyo State.	08126412899
282	Ojo	Oyo	Km 4, Old Ibadan/Oyo Road, Sabo-Ojoo, Ibadan,	08126412527
283	Oyo	Oyo	Ilorin / Ogbomoshos Expressway, Oyo, Oyo State.	08126412600
284	Ring Road	Oyo	Ring Road, Ibadan, Oyo State.	08126412612
285	Uch	Oyo	Beside Blood Bank Uch, Ibadan, Oyo State.	08082834620
286	Bukuru	Plateau	1, Market Road, Bukuru, Plateau State.	08123666633
287	Jos	Plateau	37, Beach Road, Jos, Plateau State.	08126408600
288	Jos	Plateau	1, Murtala Mohammed Way, Jos, Plateau State.	07087862982
289	Agip Road	Rivers	1, Agip Rd, Beside Kilimanjaro, Mile 4 Rumueme, P/H,	07088423690
290	Azikiwe Road PH	Rivers	5, Azikiwe Road, Port Harcourt, Rivers State.	07010294048
291	Bank Road PH	Rivers	10A, Bank Road, Port Harcourt, Rivers State.	08083679575
292	Bonny Cash Centre	Rivers	64 Hospital Road, Bonny, Rivers State.	08126415650
293	Eastern Bulkcement	Rivers	By Eastern Bulkcement Coy Ltd, Wofe Road, PH.	08126414450
294	Eleme	Rivers	Ppmc Depot, Port Harcourt, Rivers State.	08126415255
295	Garrison	Rivers	82/88, Aba Road, Port-Harcourt, Rivers State.	08026414499
296	Ikokwu	Rivers	31A, Amaigbo Road, Ikokwu Diobu, Port Harcourt,	08126415369
297	Obigbo	Rivers	14, Location Road, Obigbo, Rivers State.	08126414359
298	Olu Obasanjo 1	Rivers	329A, Olu Obasanjo Road, Port-Harcourt,	07013689904
299	Olu Obasanjo 2	Rivers	Plot 105, Olu Obasanjo Road, Port Harcourt.	08126414525
300	Rsust	Rivers	River State University Science And Technology, PH.	08126414491
301	Rumukurishi	Rivers	Plot 382, Port Harcourt- Aba Expressway, PH.	08126415269
302	Rumuokoro	Rivers	679, Ikwerre Road, Rumuokoro, Port Harcourt,	08126414995
303	Trans Amadi	Rivers	42B, Trans Amadi Industrial Layt, Trans Amadi, Phc.	08126414960
304	Uniport	Rivers	University Of Port-Harcourt , Port-Harcourt.	08126414575
305	Woji	Rivers	Woji Estate Road , By Ykc Junction, Woji, Port Harcout.	08126414405
306	Sokoto	Sokoto	27, Kano Road, Sokoto, Sokoto State.	08129360314
307	Sokoto	Sokoto	45 Maiduguri Road, Sokoto, Sokoto State	08122252113
308	Usman Danfodio Uni.	Sokoto	Usman Danfodio University, Main Campus, Sokoto.	08029438733
309	Jalingo	Taraba	57B, Hammaruwa Way, Jalingo, Taraba State.	08121041875
310	Damaturu	Yobe	Opp. August 27 Stadium, Maiduguri Rd,Damaturu.	08130727379
311	Gusau	Zamfara	43,Canteen Road ,Gusau, Zamfara State.	08024791625
312	Talata Mafara	Zamfara	Sokoto Road, Talata Mafara, Zamfara State.	08127129024

# OFF SITE ATM LOCATIONS

S/N	LOCATION	STATE	ADDRESS
1	Abia State Polytechnic	Abia	Abia State Polytechnics, Aba-Owerri Road, Aba.
2	CBN Umuahia	Abia	CBN, Opp. Abia State Sec., Aguiyi Ironsi Layout, Umuahia
3	Crunchies Eatery	Abia	Crunchies Eatery, 6 Factory Road, Along Aba-Owerri Road
4	Uni. of Abuja Teaching Hospital	Abuja	University of Abuja Teaching Hospital, Gwagwalada, FCT, Abuja
5	Afe Babalola University	Ado Ekiti	ABUAD (Afe Babalola University), Access ATM Kiosk, Ado Ekiti
6	Ekiti State University	Ado Ekiti	EKSU (Ekiti State University) Cash Center, Ado Ekiti
7	College of Education, Ikere	Ado Ekiti	Ikere Ekiti Cash Center, College of Education, Ikere Ekiti
8	Ipoti Ekiti Cash Center	Ado Ekiti	Ipoti Ekiti Cash Center
9	Crunchies Eatery	Akwa -Ibom	140 Aka Road, Uyo
10	Oliver Twist	Akwa -Ibom	22 Brooks Street, Oliver Twist Eatery, Uyo
11	New Tyre Market, Nkpor	Anambra	New Tyre Market Nkpor, Anambra State
12	Anambra State University	Anambra	Anambra State University, Uli
13	Nnamdi Azikiwe University	Anambra	Nnamdi Azikiwe University, Awka, Anambra
14	Nnamdi Azikiwe Uni. Teaching Hosp.	Anambra	Nnamdi Azikiwe University Teaching Hospital, Awka, Anambra
15	Federal Polytechnic Bauchi	Bauchi	Federal Polytechnic Bauchi @ Gwallameji
16	Shadawanka Barracks Bauchi	Bauchi	Shadawanka Barracks, Jos Road, Bauchi
17	CBN Yenagoa	Bayelsa	CBN Premises, Osiri Road, Yenagoa
18	New Secretariat, Yenagoa	Bayelsa	New Secretariat Close, Gov. House, Mbiama, Yenagoa Road
19	Sports Council, Yenagoa	Bayelsa	Obon, Beside FMC, Yenagoa
20	Benue State University	Benue	Benue State University, Markudi
21	Madern Market, Makurdi	Benue	Madern Market Makurdi, Benue State
22	University of Agriculture, Makurdi	Benue	University of Agriculture, Makurdi, Benue State
23	University of Maiduguri	Borno	University of Computer Centre Area
24	Etta Agbor	Cross River	10 Calabar Road, UNICAL Small Gate, Okoi Arikpo, Calabar
25	United Cement Co. Ltd. Factory	Cross River	United Cement Co. Ltd. Factory, Mfamosing, Calabar
26	Uni. of Calabar Teaching Hospital	Cross River	University of Calabar Teaching Hospital, Satellite Town, Calabar
27	Acomek Hotels	Delta	Acomek Hotels, Ogwachukwu Aniocha, North LG, Delta
28	CBN Asaba	Delta	CBN, Mariam Baba Gida Way, Asaba
29	Western Delta University	Delta	Western Delta University, Oghara, Delta State
30	Ebonyi State University	Ebonyi	Eboyin State University, Abakaliki
31	Ebonyi State Uni. Teaching Hospital	Ebonyi	Eboyin State University Teaching Hospital, Abakaliki
32	Ambrose Alli University	Edo	Ambrose Alli University Admin, Ekpoma
33	University of Benin, Ekenwa Campus	Edo	Ekenwa Campus, UNIBEN Ekenwa Road, Benin City
34	Ekosodin UNIBEN	Edo	Ekosodin, UNIBEN, Benin City
35	Federal Polytechnic Auchi	Edo	Federal Polytechnic Auchi, Edo State
36	Hall 1 Hostel, UNIBEN	Edo	Hall 1 Hostel UNIBEN, Benin City
37	Motel Benin Plaza	Edo	Motel Benin Plaza, GRA, Benin City

## OFF SITE ATM LOCATIONS



S/N	LOCATION	STATE	ADDRESS
38	Oando Filling Station, Iyaro	Edo	Oando Filling Station, Iyaro, Benin City
39	Okada Hostel Gate, Okada	Edo	Okada Hostel Gate, Okada, Benin City
40	Presco Mill Plc	Edo	Presco Mill Plc, Obaretin, Edo State
41	Trust Fund Microfinance Bank	Edo	Trust Fund Microfinance Bank, Adesuwa GRA, Benin City
42	UNIBEN Gate	Edo	Uniben Gate Uniben, Benin City
43	Western Union Dedicated Centre	Edo	Western Union Dedicated Centre Sakponba, Edo State
44	Bishops Court	Enugu	Bishops Court, Andrew Anglican Church, Trans Ekulu, Enugu
45	Crunchies Eatery	Enugu	Crunchies Eatery, Rangers Avenue, Off Presidential Road, Enugu
46	Nigeria Law School	Enugu	Nigeria Law School @ Agbani Village, Nkanu West LG
47	University of Nigeria Enugu Campus	Enugu	University of Nigeria, Enugu Campus
48	University of Nigeria Nsukka	Enugu	University of Nigeria, Nsukka Enugu
49	University of Nigeria Teaching Hosp.	Enugu	University of Nigeria Teaching Hospital, Ituko, Ozallo, Enugu
50	Gwarinpa	FCT	5th Avenue, Access Bank Guest House, Chenbian Plaza, Gwarinpa
51	NIMC	FCT	Access Bank NIMC, Shokode Street, Wuse Zone 5, Abuja
52	NCC Complex	FCT	Aguiyi Ironsi Street, NCC Complex, Maitama
53	Agip Abuja	FCT	MTN Head Office, Muritala Mohammed Way Abuja
54	CBN Abuja	FCT	CBN, Garki Area 11, Opposite FCT Police Command, Abuja
55	Dunes Center	FCT	Dunes Center Maitama, Abuja
56	Ebron Plaza	FCT	Ebron Plaza, Gudu Area, Abuja
57	Federal Capital Dev. Authority	FCT	Federal Capital Development Authority (FCDA), Area 11, Abuja
58	IBB Golf Club	FCT	IBB Golf Club, Aso Drive, Abuja FCT.
59	Ibeto Hotel, Gudu	FCT	Ibeto Hotel, Gudu District, Abuja
60	Ignobis Hotel, Kubua	FCT	Ignobis Hotel, Kubua, Abuja
61	Ijaw House, Yenagoa	FCT	Ijaw House Sanni Abacha Express Way, Yenagoa
62	Nnamdi Azikiwe Int'l Airport	FCT	Nnamdi Azikiwe Int'l Airport, Abuja
63	Sada Cruz Hotel	FCT	Since 1 Extension, Jikwoyi Zada Cruz Hotel, Abuja
64	Tarei Pharmacy Ltd	FCT	Tarei Pharmacy Ltd, First Gate Police Station Road, Dutse, Abuja
65	Universal Basic Edu. Commision	FCT	Universal Basic Education Commision, Wuse, Zone 4, Abuja
66	University of Abuja	FCT	University of Abuja
67	Gombe State University	Gombe	Gombe State University, Gombe
68	Eaman Restaurant	Gombe	Eaman Restaurant, Shongo Estate, Gombe
69	Federal College of Education	Gombe	Federal College of Education, Gombe
70	Ostrich Bakery	Gombe	Ostrich Bakery, Jekadafari Gombe.
71	Federal University of Tech, Owerri,	Imo	Federal Uni. of Tech, Owerri, Off Owerri-PH Road, Obinze, Owerri
72	Imo State University Owerri	Imo	Imo State University, Owerri, Along Samek Road, Owerri
73	Crunchies Eatery	Imo	Ekwema Crescent, Ikenegbu Layout, Owerri
74	Destiny Foods, IMSU	Imo	IMSU Roundabout, By Works Layout, Owerri
75	Ogbe Micro Finance Bank	Imo	Ogbe Micro Finance Bank Aforogbe Market Ahiara, Mbaise
76	Yakubu Gowon Way	Jos	No 41, Yakubu Gowon Way, Jos, Plateau State

## OFF SITE ATM LOCATIONS

S/N	LOCATION	STATE	ADDRESS
77	Viviana Garden	Kaduna	33/37 Mayere Street, Barnawa Highcost, Kaduna
78	Federal Colledge of Education, Zaria	Kaduna	Federal Colledge of Education, Shango, Zaria, Kaduna State
79	Kaduna State University	Kaduna	Kaduna State University, Angwa Rimi
80	NAF Club, Kaduna	Kaduna	NAF Club, Wharf Road, Kaduna
81	National Institute of Trans & Tech	Kaduna	National Institute of Transport and Technology, Basawa, Zaria
82	Bayera University New Campus	Kano	Bayera University, New Site Bus Stop
83	Country Mall	Kano	Guda Abdullahi Road, Behind Farm Centre, Kano.
84	Abdul Wase General Hospital	Kano	Hospital Road, Nassarawa GRA, Kano.
85	Nimma Palace	Kano	Suleiman Crescent, Nassarawa GRA, Kano.
86	Ahmadu Bello Uni. Teaching Hospital	Kano	Abu Teaching Hospital Shika, Zaria
87	Ahmadu Bello Uni. ICT Bulding	Kano	Ahmadu Bello University ICT Bulding, Samaru, Zaria
88	Ahmadu Bello Uni. Pharmacy Building	Kano	Ahmadu Bello University Pharmacy Building, Samaru, Zaria
89	Ahmadu Bello Uni. Senate Building	Kano	Ahmadu Bello University Senate Building, Samaru, Zaria
90	Nigeria Airforce Base	Kano	Nigeria Airforce Base, Kano
91	Northern Nigeria Flour Mill	Kano	Northern Nigeria Flour Mill, Milari, Off Independent Road Kano
92	Abubakar Tafawa Balewa University	Kano	Yelwa Tudu Abubakar Tafawa Balewa University
93	Federal College Of Education Okene	Kogi	Federal College of Education, Okene
94	Kogi State Polutechnic	Kogi	Kogi State Polutechnic Lokoja, Kogi State
95	Ladoke Akintola Uni. Teaching Hosp.	Kogi	Ladoke Akintola University Teaching Hospital Ogbomoso
96	Petrol Jost Filling Station, Okene	Kogi	Petrol Jost Filling Station, Okene
97	Institute of Tech., Kwara State Poly.	Kwara	Institute of Technology, Kwara State Polytechnic, Ilorin, Kwara
98	University of Ilorin Campus, Ilorin	Kwara	University of Ilorin Campus, Ilorin, Kwara Sate
99	Computer Village	Lagos	Computer Village, Ikeja, Lagos
100	Olive Microfinance Bank	Lagos	151 Obafemi Awolowo Way Ikeja Lagos
101	Abbey Building Society	Lagos	Abbey Building Society Okota, Lagos State
102	Abbey Warehouse	Lagos	Abbey Warehouse, Opposite Mobil Filling Station, Apapa
103	Adeyemo Alakija	Lagos	Access Bank Contact Centre Building, Adeyomo Alakija
104	Idejo	Lagos	Acess Bank Data Centre, Idejo Street VI Lagos.
105	Addax Petroleum Complex	Lagos	Addax Petroleum Complex, Opp Mobil Lekki Expressway
106	Avalon House	Lagos	Admiralty Way By Road 12, Lekki Phase 1
107	AG Homes	Lagos	AG Homes, Opebi, Ikeja, Lagos
108	Ann Barracks	Lagos	Ann Barracks, Off Queens College, Sabo, Yaba
109	Army Barracks	Lagos	Army Barracks, Children Avenue, Apapa
110	Aso Rock Hotel	Lagos	Aso Rock Hotel, Abaranje Road, Off Ijegun Road, Ikotun
111	Blue Microfinance	Lagos	Blue Microfinance, Panti Police Station Bus Stop, Sabo, Yaba
112	Bonny Cantoment	Lagos	Bonny Cantoment, Opposite NOUN, Victoria Island Lagos
113	Bookshop House CMS	Lagos	Bookshop House CMS, Lagos Island, Lagos

## OFF SITE ATM LOCATIONS



S/N	LOCATION	STATE	ADDRESS
114	Ligali Ayorinde	Lagos	CDMS Building, Ligali Ayorinde
115	Centre for Management Dev.	Lagos	Centre for Management Development, Magodo, Lagos State
116	Lagos State Uni. Teaching Hospital	Lagos	College of Medicine, Lagos State Uni. Teaching Hospital, Ikeja
117	Constantal Hotel	Lagos	Constantal Hotel, Airport Road, Benin City
118	Country Club	Lagos	Country Club, Maryland, Lagos
119	Dana Plastic Company	Lagos	Dana Plastic Company, Ilasamaja, Surulere Lagos
120	Dangote Adstar Factory	Lagos	Dangote Adstar Factory, Off Adeniyi Jones, Ikeja
121	Dangote Agrosacks Factory	Lagos	Dangote Agrosacks Factory, Oba Akran
122	Dangote Refinery Company Wharf	Lagos	Dangote Refinery Company, Inside Nigeria Port Authority, Apapa
123	Eric Moore	Lagos	Eric Moore, Surulere, Lagos
124	Etaport Secondary School	Lagos	Etaport Secondary School, Soluyi, Gbagada, Lagos Sate
125	Estate Plaza, Magodo Phase 2	Lagos	Estate Plaza, Magodo Phase 2 Estate
126	Etisalat Office, Oshodi	Lagos	Etisalat Office, Oshodi-Apapa Exp., Beside LASTMA Office Oshodi
127	General Hospital, Epe	Lagos	General Hospital, Epe, Lagos State
128	Casalydia, Ikoyi	Lagos	Glover Road, Behind Golden Gate, Ikoyi
129	Golden Tree Hotel	Lagos	Golden Tree Hotel, Satelite Town, Lagos
130	Huawii Tech. Orienta Hotel, Lekki	Lagos	Huawii Technology, Orienta Hotel, Lekki
131	Ikeja Local Government Premises	Lagos	Ikeja Local Government Premises, Ikeja, Lagos
132	Immigration Office, Ikoyi	Lagos	Immigration Office, Ikoyi, Lagos State
133	Jonak Petroleum	Lagos	Jonak Petroleum, Giwa Bus Stop, Oke Aro
134	Atlantic Shrim, Kirikiri Prison Bus Stop	Lagos	Kirikiri, Prison Bus Stop, Tincan Island, Apapa
135	Major Engineering Factory	Lagos	Major Engineering Factory, Odunguyan
136	Marda Barracks Yaba	Lagos	Marda Barracks, Hebert Maucaulay Way, Sabo, Yaba, Lagos
137	Martgab Supermarket	Lagos	Martgab Supermarket, Lekki Phase 1
138	Romarong Mile 2 - Oshodi Exp. Way	Lagos	Mile 2 - Oshodi Express Way, Adjacent Kia Motor, Mile 2
139	Military Cantonment Onitsha	Lagos	Military Cantonment, Onitsha
140	Monipulo Oil Company	Lagos	Monipulo Oil Company, Old GRA, Port-Harcourt
141	MRS Filling Station Ifako	Lagos	MRS Filling Station, Ifako-Gbagada, Opposite Jolad Hospital
142	MTN Office Buba Shongo, Gombe.	Lagos	MTN Office, Buba Shongo, Gombe.
143	Newco Factory	Lagos	Newco Factory, Niwil Close, Off Oba Akran Road, Lagos
144	NNPC Filling Station Agege	Lagos	NNPC Filling Station, Agege, Lagos Sate
145	Aluko & Oyebode	Lagos	No 1 Muritala Muhamed Way ,Ikoyi, Lagos
146	Resort Savings	Lagos	No 12 Boyle Street, Onikan, Lagos
147	Splendor Hotel	Lagos	No 21 Association Avenue, Ilupeju Lagos
148	Oando Filling Station Iwaya	Lagos	Oando Filling Station Iwaya, Lagos
149	Oba Of Lagos Comp., Adeniji Adele	Lagos	Oba Of Lagos Compound, Adeniji Adele, Lagos Island, Lagos
150	Orthopaedic National Hospital Igbobi	Lagos	Orthopaedic National Hospital, Igbobi, Ikorodu Road, Jibowu
151	Shoppes Mall Oniru	Lagos	Plot 7 Block 2, New Market Road, Oniru

## OFF SITE ATM LOCATIONS

S/N	LOCATION	STATE	ADDRESS
152	Gori Center, Danmole Street	Lagos	Plot 999 Danmole Street, Access Bank Head Office Annex V/I
153	Properity Microfinance Bank	Lagos	Properity Microfinance Bank, Siluko Rd, Benin City
154	RCCG Headquarters Oyingbo	Lagos	RCCG Headquarter, Off Willoughby Street, Oyingbo, Lagos
155	Scapular Plaza Lekki	Lagos	Scapular Plaza, Lekki, Lagos
156	Sovs Shopping Complex	Lagos	Sovs Shopping Complex, Badore, Lekki
157	Super Saver Supermarket	Lagos	Super Saver Super Market, Ikosi, Ketu
158	Support Staff Training School	Lagos	Support Staff Training School, Alagomeji, Yaba, Lagos
159	Sweet Sensation, Egbeda	Lagos	Sweet Sensation, Egbeda, Lagos State
160	Sweet Sensation, Magodo	Lagos	Sweet Sensation, Magodo, Lagos Sate
161	Tantalizer Eatery, Alapere	Lagos	Tantalizer Eatery Alapere Ketu
162	Tantalizer Eatery, Onipanu	Lagos	Tantalizer Eatery, Onipanu, Lagos Sate
163	Total Filling Station, Agege	Lagos	Total Filling Station, Agege, Lagos State
164	Unico Factory	Lagos	Unico Factory, Off Oba Akran Road, Behind Mouka Foam Industries
165	Vitacons	Lagos	Vita Con, Off Eric Moore, Indomie Noodles Company, Surulere
166	Yaba College of Technology	Lagos	Yaba College of Technology
167	Zizi Supermarket	Lagos	Zizi Supermarket, Festac Link Road, Amuwo Odofin, Lagos
168	Federal Medical Center	Niger	Federal Medical Center, Bida, Niger State
169	Federal Polytechnic	Niger	Federal Polytechnic Bida, Admin Block, Niger State
170	Fedral Uni. of Tech., Bosso Campus	Niger	Fedral University of Technology, Minna Bosso Campus, Bosso
171	Fedral Uni. of Tech, Main Campus	Niger	Fedral University of Technology, Minna Main Campus, Gidan Kwanu
172	NECO State Office	Niger	By Pass Near NNPC Mega Station Neco State Office, Minna
173	Bells University	Ogun	Beside Wema Bank, Bells University, Ota
174	Covenant University	Ogun	Café 1, Covenant University, Ota
175	Dangote Cement Factory, Igbese	Ogun	Dangote Cement Factory, Ibese, Ogun State
176	Emerald Microfinance Bank	Ogun	Emerald Microfinance Bank, Akute, Lagos
177	Garden Park Hotel, Arepo	Ogun	Garden Park Hotel, Arepo, Lagos /Ibadan Expressway
178	Isheri North Adonai Event Centre	Ogun	Isheri North, Adonai Event Centre, Ojodu
179	RCCG Arena Redemption Camp	Ogun	Redemption Camp, Km 46/85, Lagos/Ibadan Exp., Mowe
180	Green Legacy Hotel	Ogun	Obasanjo Library, Oke-Imosan, Abeokuta
181	Olabisi Onabanjo University	Ogun	Olabisi Onabanjo University Ago Iwoye, Ogun State
182	Psychiatric Hospital Aro	Ogun	Psychiatric Hospital Aro Abeokuta, Ogun State
183	School Gate, Crawford Uni., Igbesa	Ogun	School Gate, Crawford University, Igbesa
184	Sweet Sensation, Oke llewo	Ogun	Sweet Sensation Oke llewo, Ogun Sate
185	Tai Solarin University of Education	Ogun	Tai Solarin University of Education Ijagun, Ogun State
186	Wempco Factory, Magboro	Ogun	Wempco Factory, Magboro, Lagos/Ibadan Expressway
187	General Hopital Akure	Ondo	General Hopital, Akure
188	Ondo State School of Health Tech.	Ondo	Ondo State School of Health Technology, Akure, Ondo State

## OFF SITE ATM LOCATIONS



S/N	LOCATION	STATE	ADDRESS
189	Osemawe Palace Town Hall	Ondo	Osemawe Palace Town Hall Ondo, Ondo State.
190	Fountain University Campus	Osun	Fountain University Campus, Oshogbo
191	Alata Milk and Honey Restaurant	Osun	Alata Milk and Honey Restaurant, "Under-G" Area, Ogbomoso
192	CBN Osogbo	Osun	Central Bank of Nigeria, Gbongan/Ibadan Road, Osogbo
193	Federal Polytechnic Ede	Osun	Federal Polytechnic Ede, Osun State
194	HRM Oba Adeyemo Palace, Esa-Oke	Osun	HRM Oba Adeyemo Palace, Esa-Oke, Osun State
195	Insight Mirofinance Bank	Osun	Insight Mirofinance Bank, Ijebu Ijesa, Osun State
196	OAU Distance Learning Campus	Osun	Obafemi Awolowo University, Distance Learning Campus, Moro
197	OAU Teaching Hospital	Osun	Obafemi Awolowo University Teaching Hospital, Ile Ife
198	Olonkoro City Hall	Osun	Olonkoro City Hall, Opposite UBA, Igbonna, Oshogbo
199	Osun State College of Education	Osun	Osun State College of Education Ilesha
200	Osun State College of Technology	Osun	Osun State College of Technology MFB, Esaoke, Osun State
201	Osun State University	Osun	Osun State University Ibadan Road Osogbo
202	Redeemers University Ede	Osun	Redeemers University Ede, Osun State
203	Wesley Guild, OAU Hosp. Annex	Osun	Wesley Guild Hospital, OAU Teaching Hospital Annex, Ilesha
204	Ajayi Crother University	Oyo	Ajayi Crother University, Ajegunle Area, Oyo
205	Emmanuel Alayande College of Edu.	Oyo	Emmanuel Alayande College of Education, Erelu, Oyo
206	Macpherson University	Oyo	Macpherson University, Lagos-Ibadan Expressway, Ibadan
207	Nigeria Baptist Seminary Complex	Oyo	Ibapon Area, Oyo-Ogbomoso Road, Ogbomoso, Oyo State.
208	University of Ibadan Agbowo.	Oyo	Opposite Proboy Shopping Complex, University of Ibadan Agbowo.
209	Rom Oil Company, Alomaja	Oyo	Rom Oil Company, Alomaja, Ibadan
210	Sumal Food Ibadan	Oyo	Sumal Food Ibadan
211	Yakubu Gowon Way 2	Plateau	No 41, Yakubu Gowon Way, Jos, Plateau State
212	Plateau State Polytechnic	Plateau	Barkin Ladi Main Campus, Along Jos Airport Road. Plateau State
213	Airforce Officer's Mess	Plateau	3rd Division Barracks, Army Barracks Rukuba Road, Jos
214	Airforce Officer's Mess	Plateau	Airforce Officer's Mess, Rayfield Gold and Base Road, Jos
215	UNI JOS Temporary Site Campus	Plateau	Bauchi Road, Temporary Site Campus University of Jos
216	Plateau State Poly., Jos Campus	Plateau	Plateau State Poly Jos Campus, Hwolshe, Jos, Plateau State
217	University of Jos Permanent Site	Plateau	Naraguta, Along Bauchi Road, Plateau State
218	Landmark Hotel	Rivers	Landmark Hotel, Off Olu Obasanjo Road, Port-Harcourt
219	Dangote Cement Factory Onne	Rivers	Dangote Cement Factory Onne, Port Harcourt
220	Eastern Bulken Gate	Rivers	Eastern Bulken Gate Iwofe Road Port-Harcourt
221	Elkan Terrace Hotel	Rivers	Elkan Terrace Hotel, Off Abacha Road, GRA Port-Harcourt
222	Everyday Emporium	Rivers	Everyday Emporium, Port-Harcourt
223	Everyday Supermarket	Rivers	Everyday Supermarket, Obiwali Junction, Port-Harcourt
224	Genesis Center	Rivers	Genesis Center Tombia Street Gra Port-Harcourt
225	Ibeto Cement Factory	Rivers	Ibeto Cement Factory, Bundi Water Side, Port-Harcourt
226	Nextime Supermarket	Rivers	Nextime Supermarket Abacha Road Port-Harcourt

## OFF SITE ATM LOCATIONS

S/N	LOCATION	STATE	ADDRESS
227	Prodeco Camp/ Housing Estate	Rivers	Onne Oil and Gas Free Zone, Port-Harcourt
228	University of Education, Iwofe	Rivers	University of Education, Iwofe Road, Port-Harcourt
229	Uni. of Port-Harcourt Teach. Hosp.	Rivers	University of Port-Harcourt Teaching Hospital, UNIPORT
230	Shagari College of Education Sokoto	Sokoto	Shagari Colledge of Education, Sokoto
231	Usman Danfodio University Sokoto	Sokoto	Usman Danfodio University, Sokoto
232	Resort Savings & Loans Premises	Taraba	Jolly Nyame Estate, Mile 6, Jalingo
233	American University	Yola	American University, Lamidi, Zuberu Road, Yola
234	Federal University of Technology	Yola	Federal University of Technology, Girei Local Government, Yola
235	Abbey Mortgage LASU	Lagos	Abbey Mortgage Bank, Iba Road, LASU
236	Abbey Mortgage Abgara	Ogun	Abbey Mortgage Bank, off Bank Road, Agbara
237	Visa Karena	Rivers	Visa Kerena Hotel, Port Harcourt
238	Ado Road	Lagos	Ado Road, Langbasa, Ajah, Lagos
239	NLNG	Rivers	NLNG Port Harcourt
240	Kogi L.G.A Kogi	Kogi	Kogi L.G.A. Kofo Kogi
241	Ajaokuta L.G.A. Kogi	Kogi	Ajaokuta L.G.A Kogi
242	Idah L.G.A. Kogi	Kogi	Idah L.G.A. Kogi
243	Nera Hotel Abuja	Abuja	Nera Hotel, Abuja
244	Orimaidi Apapa	Lagos	Grimaidi PTML Terminal ,Tincan Island, Apapa
245	MFM	Ogun	Mountain Top University, KM12, Lagos-Ibadan Expressway
246	Parkview Estate	Lagos	Parkview Estate, Ikoyi, Lagos



# SUBSIDIARIES

In line with the 2016 Annual Report theme, "Tomorrow is Secure", the Subsidiaries have so far achieved commendable growth across key indices between FYE 2015 and November 2016 YTD growing PBT by 10% from 10.1bn to 11bn, Total deposits by 103% from 287bn to 574bn and finally Risk Assets by 60% from 208bn to 333bn so far.

The key achievements in each of the subsidiary countries that contributed to the above are as follows:

SN	SUBSIDIARIES	Key Achievements in 2016
1	<b>Ghana</b>	<ul style="list-style-type: none"> <li>i. Concluded a successful capital raising through IPO and listed on the Ghana stock exchange.</li> <li>ii. Maintained 9th position amongst top banks in Ghana on Profitability, Deposits and Risk Assets inspite of adverse economic headwinds.</li> <li>iii. Expansion in the retail and electronic banking space through opening of additional four branches, increase of RIA agents to additional 62 locations and expansion of mobile banking and Airtel money sign-ons.</li> <li>iv. Improved its position at the 15th edition of the Ghana Club 100, moving up 39 places from the previous year to be the 14th most prestigious company in Ghana. The main criteria for the ranks are profitability, growth and size of company.</li> <li>v. Access Bank W-community campaign won "Public Relations and Sustainable Development" award at the United Nations Awards, 2016, for its leading role in accelerating the realisation of gender equality in Ghana.</li> </ul>
2	<b>UK</b>	<ul style="list-style-type: none"> <li>i. Became 1st Nigerian Bank to provide CBN an LC line for select strategic transactions.</li> <li>ii. Took over CBN's Sterling domiciliary payment from a top international bank.</li> </ul>
3	<b>Rwanda</b>	<ul style="list-style-type: none"> <li>i. Improvement in capital via injection of additional \$6m from AFDB as Tier 2 Capital.</li> <li>ii. Upgrade of Electronic channels (Mobile/Internet Banking) as a Platform for increased customer sign-ons.</li> <li>iii. Deployment of Instant card infrastructure.</li> </ul>
4	<b>Congo DR</b>	<ul style="list-style-type: none"> <li>i. Established three additional new branches.</li> <li>ii. Launched Internet Banking and Access Pay.</li> <li>iii. Achieved over 100% of PBT budget for the 2nd consecutive year.</li> </ul>
5.	<b>Zambia</b>	<ul style="list-style-type: none"> <li>i. Increased ATM deployment and roll-out of several Retail solutions - Internet Banking/Airtel Money.</li> </ul>
6.	<b>Gambia</b>	<ul style="list-style-type: none"> <li>i. Improved operational efficiency, leading to making operating profit as against operating loss in prior years from inception.</li> <li>ii. Won mandate as the sole Collecting Bank for GIA Hajj Commission in The Gambia for 2016 and 2017, providing significant boost in liquidity.</li> <li>iii. Significant reduction of the NPL ratio from 26% as of December 2015 to single digit in 2016.</li> </ul>
7.	<b>Sierra Leone</b>	<ul style="list-style-type: none"> <li>ii. Surpassed budgeted PBT year on year, inspite of general poor economic outlook in the country.</li> </ul>

# CORRESPONDENT BANKS

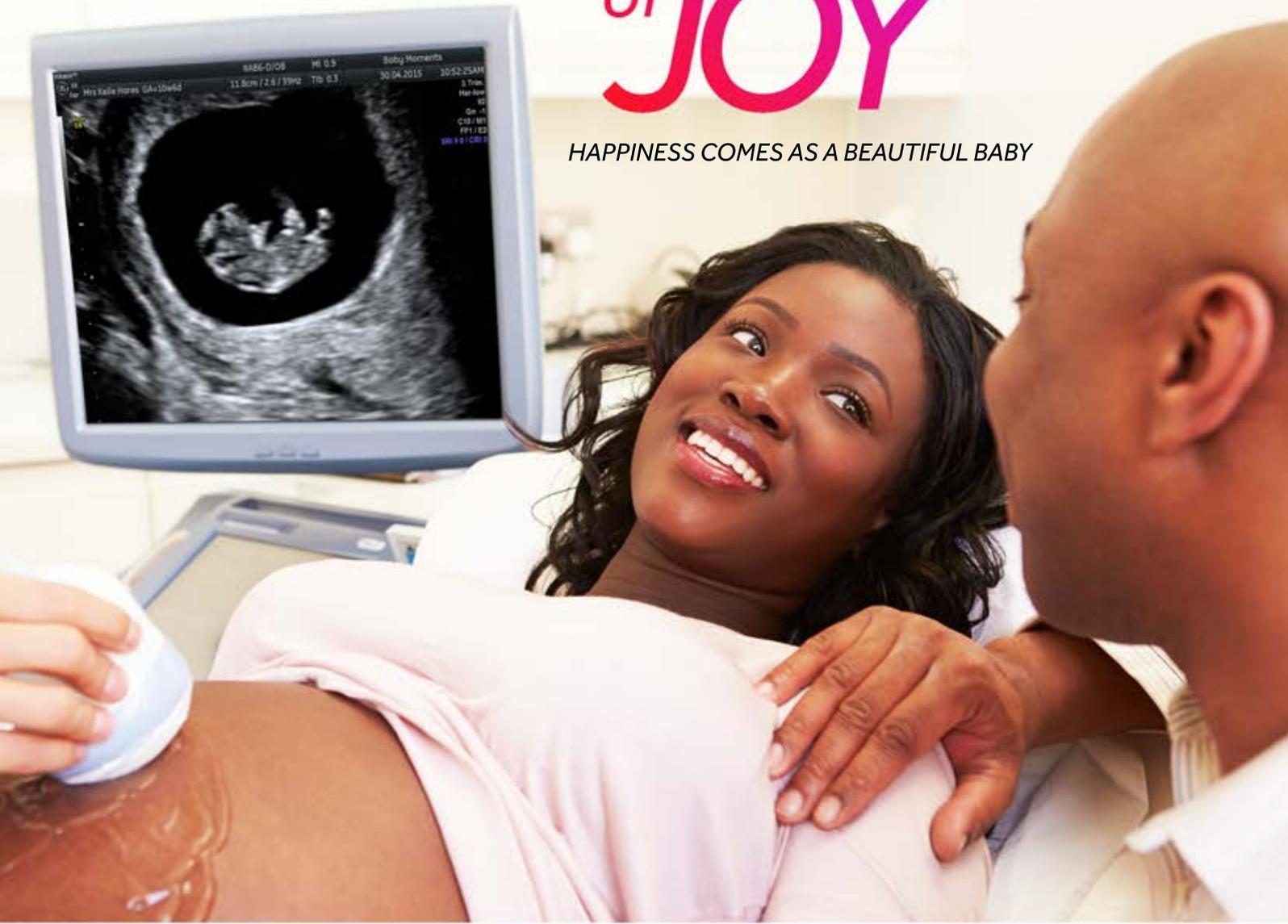
S/n	Branch	State	S/n	Branch	State
1.	Bank of Beirut	Nigeria Rep Office 5 Alfred Rewane Street Ikoyi, Lagos, Nigeria	17.	J.P. Morgan	Trinity Tower 9 Thomas More Street London E1W 1YT, UK
2.	Bank of China	No. 1 Fuxingmen Nei Da Jie Beijing P.R. China 100818	18.	KBC Bank Belgium	KBC Bank NV Havenlan 12 1080 Brussels, Belgium
3.	Banque SBA	68 Avenue Des Champs Elysees BP 7108 - 75008, Paris France	19.	Mashreq Bank	Post Box 1250 Dubai U.A.E
4.	BNP PARIBAS Paris	37 Place du Marche Saint- Honore-75031 Paris Cedex 01, France	20.	Nordea Bank	Hamngatan 10SE-10571 Stockholm, Sweden
5.	Byblos Bank, London	Suite 5, Berkeley Square House, Berkeley Square London W1J 6BS, UK	21.	Standard Bank of South Africa	25 Saver Street Johannesburg 2001, S.A
6.	CitiBank London	Citigroup Center, Canada Square, Canary Wharf London E14 5LB, UK	22.	Standard Chartered Bank, London	22 Billiter Street London EC3M 2RY, UK
7.	CitiBank New York	111 Wall Street 19th Floor/Zone 1 New York NY 10043, USA	23.	CitiBank Bew York	111 Wall Street 19th Floor/Zone 1 New York NY 10043, USA
8.	CommerzBank AG	Corporate Banking Stretured Export and Trade Finance Kaiserplatz 60311 Frankfurt am Main, Germany.	24.	Sumitomo Mitsui Banking Corporation Europe Limited	99 Queen Victoria Street London EC3V 4EH, UK
9.	Credit Suisse AG	Giesshubelstrasse 30 P.O. Box 100 CH-8070 Zurich	25.	The Access Bank UK Limited	1 Cornhill London EC3V 3ND, UK
10.	Danske Bank	2-21 Holmens Kanai DK-1092 Copenhagen Denmark	26.	UBS	P.O. Box CH-8098 Zurich
11.	Deutsche Bank	6, Bishopsgate London EC2N 4DA, UK	27.	Union Bank UK	14-18 Copthall Avenue London EC2R 7DR, UK
12.	FBN UK	28, Finsbury Circus London EC2M 7DT, UK	28.	United Bank for Africa	40 East 52nd Street New York 10022-5911, USA
13.	Handelssbanken Int. (Svenska)	SE-106 70 Stockholm Sweden	29.	Zenith Bank (UK) Limited	39, Cornhill London EC3V 3ND, UK
14.	HSBC Bank	Johannerburg Branch 2 Exchange Square 86 Mauder Street Sandound, Sandton, 2196. S. A.			
15.	IFC	2121 Pennsylvania Av. NW Washington DC 20433, USA			
16.	ING	24 Avenue Marmix, B-1000 Brussels, Belgium			





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